Scott. II-27—39,004—24-10-44.

Development (1945) Department.

MS SERIES.

G.O. No. 4658

Dated 23—11—45

[Despatch Abstract.]

War — D.O & Rules — Acquisition of moveable and immoveable properties of Kollegal Silk Factory Ltd. — Payment of compensation — Arbitration Proceedings — Award and decision of arbitrator — Recorded

Dev Dept

Memo. no 1055 D/43-1 d/15.11.43

Sub. Indemnities War- D.o.D. rules. Acquisition of immovable properties
Kollegal Silk Pictures Ltd.— Payment of Compensation.
Arbitration proceedings.

Ref: G.o. no. 2436 Dev d/30.9.43

The D.I.&C. is requested to report the present stage of the arbitration proceedings referred to in ~~of arbitration instituted in accordance with~~ the G.o. cited.

12.11.43 12-11-43

13/11/43.

To The D.I.&C.

dsp 13/11/43

30:11.43

Dev Dept

Memo - no 1005 D/43-1 D/15.11.43

Indemnities War - D.o.D. rules - Acquisition of immovable proper
Kollegal Silk Filatures Ltd. - Payment of Compensation -
Arbitration proceedings:

Ref G.o. no. 2436 Dev D/30.9.43

The D.I.&C. is requested to report the present stage of the arbitration proceedings prepared to in ~~of arbitration proceedings initiated in accordance~~ with the G.o. cited.

12.11.43 12/11/43

To The D.I.&C.

13/11/43

30:11.43

C.F 32 a).

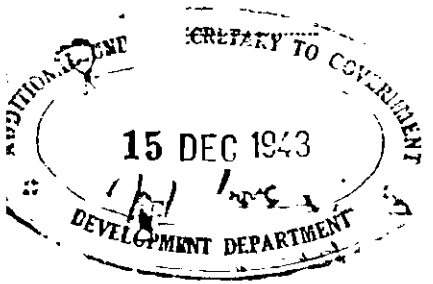
4,176

..... Department	Received ..... Registered .....
From (Name) A.Khaleeli, Esq., I.C.S.,	To
Designation Director of Industries & Commerce,	The Secretary to Government, Development Department, Madras.
Station Madras.	

Enclosures :

No. 2160-D/42 dated 13th December 1943.

Sir,



Sub: War - Defence of India Rules - Acquisition of immovable properties - Kollegal Silk Filatures Ltd.- Payment of compensation - Arbitration proceedings.

Ref: Government Memorandum No.37635-D/43-1, dated 15th November 1943.

It is presumed that the arbitrator appointed in G.O. No.Ms.2436, Development, dated 30th September 1943 will move in the matter in the first instance and I am awaiting a reference from him.

pr.14-12.

for Director of Industries & Commerce.

4

D. o. under issue

Dev. Dept

To Addl. A.S.

Submitted for Perusal. The Dt. Judge, Coimbatore has asked the ~~may be reminded about it on 10.1.44.~~ High Court for permission to conduct the arbitration proceedings at Kollegal. The letter from the High Court on the subject is being sent separately. The Dt. Judge, Coimbatore may be asked D.O. on ~~25.12.43~~ 10-1-44 when he proposes to take up the enquiry. For orders.

15.12.43.

Dy Registrar (Judl.)

16/12/43

Why not Collector asked? D. 17/12/43

Dft 16.12.43

To Addl. A.S.

In view of X above, it will take some time for the Dt. Judge to get orders from the High Court as to take up the enquiry. It was therefore considered that the reminder might issue ~~after~~ some time after a reply to the High Court comes from the Dist.

For orders.

Dy 21/12/43

Dft 18.12.43

20.

X The Govt. has also asked the Collector to take up the enquiry under the Madras Irrigation Works Act. D. 21/12/43

D.O. 37635 D/43-3 d 30.12.43

(Dear Rao Sahib)

Sub: Kollegal Silk Filatures Ltd. – Payment of Compensation

Arbitration proceedings

M 47-48 cf (R)(C) Ref G.O. (Ms) 2436 Dev. d. 30.9.43

I am to enquire when you propose to take up the enquiry in regard to the award of Compens to the Kollegal Silk Filatures Ltd.; ~~Kollegal~~

(Yours)

25.12.43 25.12.43

Sri Rao Sahib

C/ Satyanarayana Chowdari

Dt. Judge, Coimbatore

Note: Please see orders at 'A' on p 4 cf. A reply ~~from Govt.~~ to the Registrar, High Court was issued on 22.12.43, ~~expressing no objection to the Dt. Judge, Coimbatore~~ with reg to the letter at pp 49-50 cf (P)(C) ~~to arbitrate in the matter~~. A draft D.O. to the Dt. Judge is now subd for approval

15.1.44 51 cf (R)(C)

A on p 4 cf

25.12.43 25.12.43

D.O.

District Court,
Coimbatore,
Dated 3-1-1944.

Sir,

Ref:- Your D.O.No.37635 D-433 dated 30-12-1943.

Sub: Kollegal Silk Filatures Limited - Payment of ~~xxx~~ compensation - Arbitration proceedings.

The connected records are awaited from Government as per Rule 9 of the Rules. A date will be fixed as soon as records are received. Please see that they are sent as early as possible and instruct the ~~xxxxxx~~ local Government Pleader to file all the documents the Government wants to rely upon.

Yours sincerely

C.S.

To

T.Sivasankar Esquire, I.C.S.,.
Secretary to Government,
Development Department,
Fort St.George.Madras.

8

D.O. No 3763-S/43-4d. 11.1.44

(Dear Sir)

Sub: Kollegal Silk Farm Ltd. – Payment of Compensation.

I am to enclose Copy of D.O. d 3.1.44 from Sri C.S. Chandhuri and to request that Steps may be taken to file all the relevant records before the Arbitrator appointed in G.O. No. 2436 Dev d 30.9.43

(Y.S.)

8.1.44

7. A. Khaleeli Esq ICS (with a copy of D.O. d 9.10.1939 Rev d 8.6.43)

Copy to Sri C.S. Chandhuri.
Asst. Dr & Sessions Judge
Civil Courts.

D.O.No.2160-D/42.

D/44
18.1.44

Director of Industries
and Commerce,
M a d r a s, 17-1-44.

My dear Sivasankar,

Sub: Kollegal Silk Filatures Ltd. - Payment of compensation.

Ref: Your D.O.No.37635-D/43-4 dated 11-1-1944.

Will you please refer to your D.O. asking me to file all relevant records bearing on the question of payment of compensation to the Kollegal Silk Filatures before the Arbitrator? This is best done by the local Government Pleader as suggested by Chowdhuri in his D.O. to you. I would like the Government Pleader to run down to Madras and talk over matters with me before filing of records. I suggest that he be asked to meet me in Madras on any working day between the 26th of January and 4th of February. I shall hand over all records that need be

-2-

filed to the Government Pleader when he meets me.

Yours sincerely,

A Kumar

T.Sivasankar Esq., I.C.S.,
Secretary to Government,
Development Department,
Fort St.George, Madras.

D.O.No.2160-D/42.

Director of Industries
and Commerce,
Madras, 1st February 1944.

My dear Sivasankar,

Sub: Kollegal Silk Filatures Ltd. - Payment of compensation.

Ref: My D.O.No.2160-D/42 dated 17th January 1944.

--

Will you please refer to my D.O. cited and let me have very early orders, as the Sessions Judge, Coimbatore has asked me to send the connected records to him at an early date.

Yours sincerely,

T.Sivasankar Esq., I.C.S.,
Secretary to Government,
Development Department,
Fort St.George, Madras.

special Rs 3½/- 4/-
Issue at once

Dev.Dept.

Memorandum No.37635-D/43-7 dated the 4th February 1944

Sub:-Kollegal Silk Filatures Ltd-,Acquisition of immovable properties by Govt-Compensation-Arbitration under Section 19 of the D.I.Act.

Ref:- (i) G.O.No.1839 Revenue, dated the 8th June 1943.
(ii) From the D.I.& C, No.2160-D/42 dated 17-1-44.

In G.O No.2436 Dev dated the 30th Septr. 1943, the Govt. appointed Sri.C.Satyanarayana Choudhri, District and Sessions Judge, Coimbatore, as Arbitrator to fix the amount of compensation to be paid to the Kollegal Silk Filatures Ltd, in respect of immovable properties acquired by them. The records connected with the case have now to be filed before the Arbitrator for an enquiry under the rules issued in the G.O. cited. The Collector of Coimbatore is requested to direct the Government Pleader, Coimbatore to meet the D.I.& C at Madras to receive instructions from him personally for the presentation of the case on behalf of the Government.

The Government Pleader may ~~ascertain previously the date suitable for the D.I.& C for the~~ arrange & meet the D.I.& C by appointment at Madras

between the 11th & 19th Feb 1964.

~~Discussion at Meerut.~~

To the Collector, Coimbatore,
D.I.& C
A.G through Finance
Copy to the Dist & Sessions
Judge, Coimbatore,
to S.F.

Office of the Director of Industries &
Commerce, Madras, Dated 4th February 1944.

No.2160-D/42.

To
The Secretary to Government,
Development Department, Madras.

From
Khaleeli, Esq., I.C.S.,
Director of Industries &
Commerce, Madras.

ADDITIONAL SECRETARY TO GOVERNMENT
5-FEB-1944
DEVELOPMENT DEPARTMENT

Sir,

Sub: War - Defence of India Rules - Acquisition of the immovable properties - Kollegal Silk Filatures Ltd.- Payment of compensation - appointment of an arbitrator.

Ref: G.O.No.Ms.2436, Development, dated 30th September 1943.

In continuation of my D.O.No.2160-D/42, dated 17th January 1944, I forward herewith a copy of letter dated 28th January 1944 received from the Managing Director of the Kollegal Silk Filatures Ltd.

It will be observed that as the company propose to obtain legal opinion as regards the legality of acquisition proceedings under the Defence of India Rules, the Managing Director requests that the Arbitrator may be asked not to proceed with the case for the present. I solicit Government's instructions in the matter.

for Director of Industries & Commerce.

pr.4-2.

Copy of letter dated 28-1-1944 from the Managing Director of the Kollegal Silk Filatures Ltd.

In pursuance of the Notice dated the 20th December 1943 already communicated to you, the Extraordinary General Meeting of the Shareholders of the Kollegal Silk Filatures, Ltd., postponed from 30th December 1943 to 27th January 1944, to consider the question of winding up the Company consequent on its acquisition under the Defence of India Rules, came off yesterday, and the matter was subject to a full discussion from the point of view whether the Kollegal Silk Filatures which is a going concern, could be acquired under R.75A of the Rules under the Defence of India Act, in the light of the decision of the High Court of Judicature, Lahore, in Lahore Electric Supply Co. versus Province of Punjab, reported in A.I.R.(30).1943 Lahore 41.

This decision was relied on by the majority of the shareholders in support of their contention that R.75A is not applicable to the requisition or acquisition of the Kollegal Silk Filatures, Ltd., and that R.81 empowers Government only to control and regulate the undertaking for the duration of the war and a limited period thereaf-

An Extract from the relevant portion of the decision is enclosed to facilitate ready reference. This view prevailed at the Extraordinary General Meeting and the following resolution was accordingly passed:-

"In the opinion of this meeting the Company should not be wound up under the Defence of India Rules.

This meeting is further of opinion that the Defence of India Rules do not empower Government to permanently acquire an Industrial undertaking of the nature of a going concern.

This meeting therefore requests the Board of Directors to obtain competent legal advice on the subject as early as possible and, in the meanwhile not to proceed with the arbitra-

4. This meeting also requests the Board of Directors to circulate Council's opinion among the shareholders and, if necessary, to convene another meeting to consider what further steps should be taken in the matter.

5. With a view to allay the serious anxiety which the acquisition has created in the minds of the shareholders, the proceedings of this meeting should be circulated at an early date.

In view of this Resolution, the General Body has authorised the Board of Directors to take authoritative legal opinion on the question, and this will be done without delay. Meanwhile, I am to request you kindly to place the matter before Government to issue instructions to the Arbitrator appointed by Government, not to go into the question of compensation, as such a course would require considerable modification on the orders that may eventually be passed by Government on a consideration of the facts set forth above.

A copy of this letter has been communicated to the Arbitrator for information pending receipt of further instructions from Government.

Extract from the decision.

--

A.I.R. (30) 1943 Lahore 41
Full Bench
Coram: C.J. Monroe and Muhammad Mumir J.J.

Lahore Electric Supply Co. Ltd. .. Plaintiff - Petitioner

v

Province of Punjab . Defendant - Respondent.

Civil Misc.No.414 of 1942 Decided on 14th January 1943

Petition for temporary injunction

a) Defence of India Act (1939) Ss. 16 and 15. Order under Act not bonafide - Court can deal with matter - S.16 is no bar - Effect of S. 15.

(b) Defence of India Act (1939) Rules under R.75. A.81 and 132. Requisition or acquisition of undertaking like Electric Supply Company - R.75 - A does not apply - undertaking can be controlled under Rules 81 and 132.

An undertaking like an Electric Supply Company which is a going concern cannot be treated as nothing but a collection of items of moveable and immoveable property. Therefore R.75-A is not applicable at all to the requisition or acquisition of a undertaking as a going concern as an Electric Supply Company. It is R.81 which is contemplated for dealing with the control of an "undertaking." Rule 81 (1) shows that orders taking control of the supply of electric energy are deliberately contemplated by R.81 which is devised and enacted for the very purpose of controlling an electric undertaking in danger of being sabotaged. But under R.81 it is impossible to acquire the undertaking. R.81 coupled with R.132 gives every conceivable power to Government to control undertaking so as to ensure not only the maintenance of supplies and services essential to the life of the community but safeguard against the danger of sabotage; but an order under R.81 only applies for the duration of the war and a limited period thereafter. (P.45h: P46c,d)

(c) Injunction suit against Provincial Government. Court can grant injunction against Government - Sec.306 Government of India Act is no bar.

Dev. Dept

Letter no. 37635 D/43-11 d. the 11.3.44.

To,

Sri Rao Saheb C. Satyanarayana Chowdary
Dt. & Sessions Judge, Coimbatore

Sir,

Sub: Kollegal Silk Filatures Ltd. — Payment of Compensation — Arbitration Proceedings

Ref: My letter no. 37635 D/43-10 d 14.2.44

I am to request you to state the present stage of the arbitration proceedings mentioned above.

Yours obediently,
for Secretary to Government.

Copy to the D.H.C

R 31.3.44

Dev Dep

W/15/2 Letter No 37635-D/43-10 d 14.2.44

To

Sri Rao Sahib C. Satyanarayana Chowdri
Dt. & Sessions Judge, Coimbatore.

Sir,

Sub Kollegal Silk Filatures Ltd - Payment of Compensation - Arbitration proceedings

Ref Your letter No 953/8/2 d 7.2.44.

I am to invite a reference to Govt memo No 37635-D/43-7 d 4.2.44 on the subject mentioned above. The Govt Pleader, Coimbatore will be filing the records in the case after receiving personal instructions from the D & S.

I have the honour to be,
Sir,
Your most obedient servant,

Copy to D & S

35
12/2

Dev. Dept 2/1

D. O. no. 37635 D/43-9d 12.2.44

(. Any Secy ——)

Very urgent

sub: Kollegal Silk Filatures Ltd. – Payment of Compensation – Arbitration proceedings

Ref: your letter no. 7057 D/44 d 4.2.44

I am to say ~~state that~~ since the Company has ~~communicated~~ ~~a copy of their letter d 8.2.44 to the Arbitrator and the question is already before him~~ that, it may be left to the Arbitrator to decide whether the enquiry should be adjourned or not.

I have the honour to be, Sir, Your most obedient servant,

(Y. S. ……)

Secretary to Government

To A. Khaleeli Esq. I.C.S.
D. D & C, Madras

~~The Hon. the Chief Secretary to Government~~

Ref to letter d 18.1.44 from Mr. S. Chandrasekhara Rao, Managing Director of the Kollegal Silk Filatures Ltd.

pp 15-16 cf

pp 15-16 cf & B no 16 cf

From
C.Satyanarayana Chowdri, Esq., B.A.,B.L.,
District Judge, Coimbatore.

To
The Director of Industries and Commerce,
Madras.

D.No. dated 7-2-1944.

Sir,

Ref: The Kollegal Silk Filatures Ltd. - Payment of compensation - G.O.No.2436 dated 30-9-1943
This office letter D.No.676 dated 28-1-1944.

I invite your attention to letter No.676 dated 28-1-1944 and request that the transmission of the records may be expedited.

I have the honour to be,
Sir,
Your most obedient servant,

Sd.C.S.Chowdri,
District Judge.

NR. /True Copy/

District Judge,

16-3-1944.

To

D/44 - 17.3.44

The Secretary to Government,
Developement Department,
Fort. St. George,
MADRAS.

Sir,

With reference to Government order dated 30th March 1943 acquiring the Kollegal Silk Filatures belonging to the Kollegal Silk Filatures Ltd., under sub-rule 2 of Rule 75-A of the Defence of India Rules, the company has taken legal opinion regarding the validity of the step taken by Government. A copy of the opinion is enclosed.

In view of this opinion given by Mr. T.R. Venkatarama Sastry, C.I.E., the Board requests the Government to kindly cancel their order of acquisition and restore the concern to the Company within six months of the cessation of hostilities. Meanwhile the Board would request the Government to stay the arbitration proceedings before the District Judge of Coimbatore as the question of compensation does not arise. The amount of compensation already awarded and received under protest will be returned to Government on receipt of reply.

For the use of the filature by Government the company are entitled to mesne profits which will have to be determined in mutual consultation and paid in due course.

Should Government be pleased to accede to this request it would obviate the necessity for the Board to have recourse to legal action involving further expense and delay.

I have the honour to be
Sir,
Your most obedient servant,

Chairman of the Board of Directors
Kollegal Silk Filatures Ltd.

Copy to the Adviser.

16-3-1944.

Same as p 27 above

D/44
17.3.44

To

The Secretary to Government,
Developement Department,
Fort. St. George,
MADRAS.

Sir,

With reference to Government order dated 30th March 1943 acquiring the Kollegal Silk-Filatures belonging to the Kollegal Silk Filatures Ltd., under sub-rule 2 of Rule 75-A of the Defence of India Rules, the company has taken legal opinion regarding the validity of the step taken by Government. A copy of the opinion is enclosed.

In view of this opinion given by Mr. T.R. Venkatarama Sastry, C.I.E., the Board requests the Government to kindly cancel their order of acquisition and restore the concern to the Company within six months of the cessation of hostilities. Meanwhile the Board would request the Government to stay the arbitration proceedings ~~post~~ to 4th April before the District Judge of Coimbatore as the question of compensation does not arise. The amount of compensation already awarded and received under protest will be returned to Government on receipt of reply.

For the use of the filature by Government the company are entitled to mesne profits which will have to be determined in mutual consultation and paid in due course.

Should Government be pleased to accede to this request it would obviate the necessity for the Board to have recourse to legal action involving further expense and delay.

I have the honour to be
Sir,
Your most obedient servant,

Chairman of the Board of Directors
Kollegal Silk Filatures Ltd.

6 enclosures

~~Copy~~ to the Adviser in person
by Mr. S. Ganesa Aiyar, Manager
Diwan Bahadur A. Appadurai Pillai

T.R. Venkatarama Sastri.

"Kaustubha"
Edward Elliot Road,
Mylapore, Madras.

16-3-1944.

O P I N I O N.

I am of opinion that it is not competent to the Government to acquire the Mysore Silk Filatures Ltd., under Rule 75-A of the Defence of India Rules. The Company is an industrial undertaking and is not either moveable or immoveable property within the meaning of Rule 75-A. The moveable or immoveable property referred to in Rule 75-A is property unconnected with any undertaking. Rule 8 is the only rule that is applicable to undertakings and there is no provision for their acquisition. Moveable and immoveable property which are part of an undertaking are not subject to the acquisition under Rule 75-A. Undertakings can only be taken control over during wartime and six months thereafter as provided for in the Defence of India Act section 1 and must be returned to the company at the expiration of that period.

(sd) T. R. V. Sastri.

True Copy

Raghaviah
Chairman, Kollegal Silk Filatures Ltd

O P I N I O N

Re: Notice of acquisition - The Kollegal Silk Filatures Ltd.

---

p31 above

I gave my opinion in short for circulation to the shareholders in accordance with their desire as expressed in their resolution at their last meeting. I now proceed to state it in more detail.

The above company of silk manufacturers is an industrial undertaking within the Defence of India Rules. The company owns immoveable property (the business premises) and also moveable properties required for the purpose of carrying on their business. Silk of a certain texture and quality is required for the making of parachutes. The Government found the silk not up to quality for the purpose. Their first suggestion therefore was that the company should take the assistance of the Government Expert Mr. Peychaud. While the company was taking steps to comply with the requirements of the government, the government sent a requisition order dated March 12, 1943, purporting to act under rule 75-A. It ran as follows:-

pp 29.31 of (A) related

"Whereas in the opinion of the Government of Madras it is expedient for the efficient prosecution of the war to requisition the properties hereinafter specified:

"Now therefore, in exercise of the powers conferred by rule 75-A of the Defence of India Rules, His Excellency the Governor of Madras is hereby pleased to requisition with effect on and from the date of the service of this order the moveable and immoveable properties specified in the schedule below and belonging to the Company known as the Kollegal Silk

Filatures, Limited, Kollegal and to direct the said company or other persons in possession of the said properties to deliver the same to the Sericultural Expert, Kollegal, or to any person authorised by the said Sericultural Expert to take possession of the properties and in the meantime not to dispose of the properties or any part thereof in any manner without the permission of the Government of Madras".

The order was carried out by the Government taking over possession of the company's business. Then on March 30, 1943, the Government issued a further order in these terms:- pp 9-10 of (B)

"Whereas by G.O. No.311, Development, dated 12th March 1943 the properties of the Kollegal Silk Filatures Limited specified in the Schedule hereto annexed have been requisitioned by the Government of Madras; pp 29-31 of (A)

"Now therefore, in pursuance of sub-rule (2) of rule 75-A of the Defence of India Rules notice is hereby given that the Government of Madras have decided to acquire the said properties in pursuance of the said rule".

The question referred to me is whether the Government are entitled to ACQUIRE the concern. I AM OF OPINION THAT IT IS NOT COMPETENT TO ACQUIRE THE BUSINESS OF THE COMPANY.

The material legal provisions are set down below.

Defence of India Act Section 1 says that the Act is to be in force during the continuance of the present war and for a period of six months thereafter (sub-S(4)). pp 3-4 of Rd

Section 2 gives power to the Central Government to make rules "as appear to it to be necessary or expedient for securing the defence of British India, the public safety, the maintenance of public order or the efficient prosecution of the war, or for maintaining supplies and services essential to the life of the community p 4 ibid

Acquisition of property is not among the particular clauses apart from the general power expressed in the words above cited from section 2. The only words to which reference might be made for such power are the words in sub-section (3) of section (2) which in (viii) says

> "empower or direct any authority to take such action as may be specified in the rules or as may seem necessary to such authority for the purpose of ensuring the public safety or interest or the Defence of British India".

These words are too general and cannot include acquisition of property when full control during wartime is sufficient for all purposes connected with the efficient prosecution of the war. It should be noted that section 15 lays down that enjoyment of property should be interfered with as little as possible.

It has been suggested that the empowering of acquisition by the Government is ultra vires, being outside the scope of the Act. Acquisition of property is in certain circumstances authorised by the existing law. If other acquisitions are intended to be authorised, it should be by legislation. If the Act does not empower it, the rules cannot authorise it.' I shall however proceed as if the rules could authorise acquisition. I have come to the conclusion that the rules have not authorised the acquisition of a company's industrial undertaking.

Rule 75-A is headed "Requisitioning of property".
Rule 81 is headed "General control of industry".

These two matters are dealt with under different rules and in different ways. The property of an industry

-A-

A cannot be taken over as so to stop the industry going on. If it touches the industry, it cannot be dealt with otherwise than under rule 81. The company may possess houses, lands, etc., unconnected with, or separable from, the business carried on. A company may own property just like any private owner. While rule 75-A may deal with moveable and immoveable property without touching the undertaking, it cannot acquire the undertaking itself. This is a company. There are shareholders. The government are compulsorily acquiring the company, that is, the shares B of each shareholder, and thereby in effect dissolving the company. How can the government do that without legislative authority? Rule 75-A authorises requisitioning of property moveable or immoveable, and the user of it and the dealing with it in such manner as may appear to it to be expedient, and "may acquire it".

Even in the case of property unconnected with the industry of a company, why is acquisition necessary? Is not complete control sufficient for all purposes intended to be promoted by the Act? If the Act does not authorise acquisition, it is because such acquisition is not necessary; and section 15 so states it. Therefore rule 75-A in so far as it authorises acquisition, goes beyond the intendment of the Act and is ultra vires - is the attack upon it. Whether this is right or not, it is enough to say that if a company's business undertaking is to be acquired, you must find it in Rule 81. Rule 75-A cannot apply to industry.

If the rules provide for the acquisition of property moveable or immoveable but does not provide for it in the case of an industrial undertaking, the conclusion is obvious that an undertaking or its business cannot be acquired nor the business put an end to by the acquisition.

The matter has been the subject of a decision of a Full Bench of the Lahore High Court, reported in Indian Law Reports (1943)

Lahore 610. It is a sound decision. I have stated the rules bearing on the subject and the conclusion to be drawn independently of the decision, because courts may and do differ in their conclusions. In this case the matter is so clear that it would be surprising if the government persisted in acquiring the undertaking.

Rule 81 gives to the Government every form of control necessary for the primary purpose of the Act. A full owner's control is available during wartime. The government pay for use of full control and possession.

Without taking possession, control over production and distribution is given to the Government by rule 81(2) and rule 81(3) imposes no limit to the kind of control that the government may exercise for the purposes of the Act referred to in section 2(1) and repeated twice in rule 81 in subrule (2) and subrule (3). Both these subrules throughout imply the continuing ownership of the undertaking by the company, thereby impliedly negativing the right of the government to acquire the business and thereby destroying the company. Short of an out-and-out purchase there is no control that the government may require over the business or its produce for wartime purposes that is not given by rule 81.

The result is that rule 75-A may be ultra vires in so far as it enables acquisition of property moveable or immoveable. But in so far as an industrial undertaking is concerned it falls outside rule 75-A and must be brought under only rule 81 which does not authorise the acquisition of an undertaking.

(Sd.) T.R.V. Sastri.
16.3.44.

/TRUE COPY/
M.S. Ramaiyar
M.A. Director

GOVERNMENT OF MADRAS.
Development Department.
Letter.No.37635-D/43-13.

From

T.Sivasankar Esq., I.C.S.,
Secretary to the Government of Madras.

To

The Chairman,
Board of Directors,
Kollegal Silk Filatures Limited,
Greames Road, Cathedral P.O.,
MADRAS.

Dated, Fort St.George, the 20th March, 1944.

Sir,

SUBJECT: KOLLEGAL SILK FILATURES LIMITED - Acquisition by Government of properties of the Company - Validity of Order.

REFERENCE: Your letter No.Nil dated 16-3-1944.

~~I am directed to state that~~ It is open to the Company to take the matter to a Court of Law, if they are so advised. The Government have considered the contentions of the Company and do not see any reason to cancel their orders or to stop the proceedings before the Arbitrator.

Your obedient servant,

Secretary to Government.

G.M.20.3.

41

JUDICIAL DEPARTMENT

7.1.D/44

From

Satyanarayana Chowdri, Esq.,
B.A.,B.L.,
District Judge,
Coimbatore.

To

The Secretary to Government,
Development Department,
Fort St. George,
Madras.

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
19 MAR 1944
DEVELOPMENT DEPARTMENT

D.No: 1968/1873 dated 18-3-1944.

Sir,

Sub: Kollegal Silk Filatures Ltd., - Payment of compensation - Arbitration proceedings.

Ref: Your letter No.37635 D-43-11 dated 11-3-1944. (1125 above)

The enquiry is part heard and it stands posted to 11-4-1944 for further hearing.

I have the honour to be,
Sir,
Your most obedient servant

Dw. 24/4

To Addl. A.S.

The Arbitrator may be next reminded on 18.4.44, if necessary

20.3.44 NR. 100/2044. 21/3/44

District Judge.
Arbitrator.

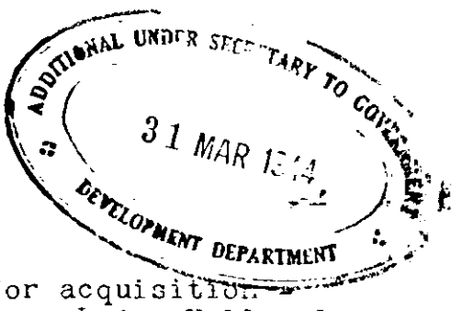
43

D/44

From
Diwan Bahadur T.Raghavaiah, C.S.I.,
Chairman, Kollegal Silk Filatures, Ltd.,
Venkata Vilas,
Greamkes Road,
Cathedral, Madras.

To

The Secretary to Government,
Development Department,
Madras.



Sir,

Re: Arbitration proceedings for acquisition of
The Kollegal Silk Filatures, Ltd., Kollegal.

The arbitrator, the District Judge of Coimbatore, intimated in the proceedings that in giving his award in respect of the items of properties of the Kollegal Silk Filatures, Ltd., he was bound by the classification of the properties as movable and immovable made by the Government in the reference to him. The Company has been contending that, in respect of compensation to be awarded, the nature of the properties should be determined in accordance with the substantive law as laid down in the Transfer of Property Act and the General Clauses Act regarding the definition of movable and immovable property. In accordance with the said definition, machinery, plant, all buildings, fixtures, etc., attached to the earth or embedded in the earth would be immovable property. The arbitrator in fixing the compensation should decide first the nature of the properties and then their respective values as the basis of his award of compensation. As the arbitrator indicated that he was bound by the classification of the Government, it is requested that directions be given to him for considering and giving his decision on this question as included in the reference to him. The case is posted before the Arbitrator on the 11th April at Coimbatore. It is requested that orders may be early. As we have already intimated, we do not recognise the acquisition as legal or within the powers given under the Defence of India Rules, and if we take part in the proceedings before the arbitrator we are doing so under protest reserving all our rights to contest the acquisition proceedings as illegal and void ab initio in appropriate proceedings.

Twice [illegible] Draft Dev. Dept 45

58-59/5/4 Confdl

Issue today 5.4.44

37635
Memo No 37365 D/43/44-15 dt 5-4-44

Sub: War - D.O.I Rules - Acquisition of properties of Kollegal Silk Khadi Dy — Compensation - Arbitrator proceedings.

The chairman of the Kollegal Silk Khadi Dy. has represented that the Arbitrator is under the impression that he is bound by the classification of the properties, as movable and immovable, made by the Govt. Whether any plant or machinery is movable or immovable, with reference to the definition in the General Clauses Act, is a question of fact. It will be open to the Arbitrator to decide whether any

* 'D' on p 43 of

5 Legal rules on [redacted] 16 of

46

particular item in dispute is or is not immovable property as defined in the General Clauses Act. The Dte is requested to instruct the ~~Govt~~ Pleader representing the Govt in the proceedings before the Arbitrator to agree to the Arbitrator deciding whether any disputed item is or is not immovable property.

Legal note at [illegible]

4/4/44 : G. 5/4/44

To the Dte 5/4

Copy to Rly Receipts & Claims
Dt. Judge
Coimbatore

VOR
4.4.44

P TO

Draft "A"

Dev. Dept 49

Letter No. 37635 D/43-16 d 5-4-44

To

From today by special messenger

Rec 5.4.44

Dev Dept 5.4.44

D.O 5/4.

The Chairman, Kollegal Silk Filatures Ltd
"Venkata Vilas", Graeme's Road
Cathedral P.O. Madras.

Sir,

Sub: Kollegal Silk Filatures Ltd - Acquisition of Property by Govt - Arbitration proceedings.

Ref: Your letter d 31.3.1944.

I am directed to state that the Govt Pleader ~~Appearing before the Arbitrator~~ is being instructed to agree to the Arbitrator deciding whether any disputed item is or is not immovable

48

property as defined in the General Clauses Act. You may therefore raise the issue for adjudication by the Arbitrator.

4/4/44

5.4.44

4.4.44

Copy to DIGE

Copy to Sri Rao Saheb C. S. Chandhiri Dt. Judge, Coimbatore

5/4

W

2286D/44

APPELLATE SIDE RECEIVED 14 APR 1944 HIGH COURT

F. 32.

In reply please quote number, date and short title.*

Received ..... Registered .....

DEPARTMENT.

2416/44-2

From (Name) C. Satyanarayana Chowdri Esq, B.A., B.L,

(Designation) District Judge,

Post Box ..... (Station) Coimbatore.

Telegraphic Address .....

ADDITIONAL UNDER SECRETARY TO GOVERNMENT 18 APR 1944 DEVELOPMENT DEPARTMENT

To

The Registrar,
High Court, Madras.

Sir,

No. 2515/12/4, dated 11th April 1944.

Ref: G.O.No.Ms.2436 (Dev. Dept) 30-9-1943.

Subject: Defence of India Rules - Acquisition of immoveable properties - Kollegal Silk Filatures Ltd - Payment of compensation - Permission to hold enquiry at Bangalore - Requested.

M 47-48 cf (c)

ENCLOSURES .....

SPARE COPIES .....

'A' on M 47 (c)

M 51 cf (c)

A

Rem. at M 45-46 above

I have been appointed Arbitrator to enquire into the dispute regarding the compensation payable for the Silk Filatures Ltd, Kollegal, acquired by the Government. The Government have permitted me to hold this enquiry at Kollegal to suit the convenience of the officers appearing on both sides. At the last hearing at Kollegal the claimants wanted time on the ground that one of the Engineers was unable to leave Bangalore on account of hernia trouble. The Government have since issued proceedings making it clear that it is open to the Arbitrator to revise their classification of the properties into moveables and immoveables. In view of this, the claimants have taken time again to examine witnesses to prove that portions of the machinery form part of the building and their value. As the enquiry is likely to occupy some days and as it is required to be completed expeditiously as possible I have decided to complete it during the first week of May 1944. The lawyers appearing on both sides have agreed to work during the vacation.

B

In order to have a speedy disposal of this matter I request that I may be permitted to proceed to Bangalore from Kollegal and hold a sitting there, if found necessary to complete the evidence of the witnesses whom the claimants may want to examine there. So far as the officers of the Silk Filatures at Kollegal are concerned they will be examined at Kollegal without any inconvenience to their daily work. Bangalore is about 70 miles from Kollegal.

I have the honour to be,
Sir,
Your most obedient servant

C. S. Chowdri

District Judge.

R.O.C. 2416/44-B2

Forwarded to the Secretary to Government, Development Department for disposal.

for Registrar
17/4/44
High Court Madras

17.4.44

To the Secretary to Government
Development Department

57

TELEGRAMS: "KOLLSILK"

D/44

THE KOLLEGAL SILK FILATURES, LTD.

Managing Agents.

care of
Messrs. Aiyar & Co.,
Stock and Share Brokers,
Chamber of Commerce Buildings,
Bangalore City.

(Via BANGALORE.)

18-4-44.

The Secretary to Government,
Development Department,
Government of Madras,
Fort. St. George, Madras.

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
19 APR 1944
DEVELOPMENT DEPARTMENT

Sir,

1 You have been pleased to appoint Sri Rao Sahib C. Satyanarayana Choudury B.A., B.L. as arbitrator to value the "immoveable properties" of the Kollegal Silk Filatures Ltd.

2 The arbitration would be incomplete without the valuation of "the moveables". These also will have to be valued in view of the deletion of Rule 83 of the Defence of India Rules.

3 Further as the Kollegal Silk Filatures Ltd is not a bundle of moveables and immoveables, it has to be valued as an undertaking under section 299 of the Government of India Act.

4 It would be a considerable saving of valuable time and labour if the same arbitrator is appointed to value the moveables and undertaking as a whole. This is without prejudice to our right to question in a court of law the right of the Government to acquire a going concern.

5 As the Arbitrator has fixed 3-6-1944 for taking evidence regarding valuation of immoveables, it is submitted he may be directed before that date to value also the moveables.

I have the honour to be,
Sir,
Your most obedient Servant,
For The Kollegal Silk Filatures Ltd.

MANAGING DIRECTOR.

Dev. Dept

Issue today
21.4.44 DOR 21/4/44

Memo No 37635-D/43-19 d. 21.4.44

Sub: Kollegal Silk Farms Ltd – Acquisition of Property of the Company – Payment of Compensation – Arbitration.

p 49 cf 1 Ref Endt No 2416/44.B2 d 17.4.44 of the Registrar, High Court, Madras on

p 49 cf. letter No 2515/12/4 d 11.4.44 from the Dt Judge, Coimbatore.

The suggestion of the Dt Judge, Coimbatore to hold a sitting of the arbitration proceedings at Bangalore is approved

Bangalore cf.

Sri C.S. Chadhini. ✓
Dt Judge, Cmbre ✓
to Registrar, High Court of Madras.
DJ&c ✓

DJ&c 19/4/44 DOR 19.4.44 DJ&c 21/4/44

Issue today Despd
24/4/44 24/4/44
24.4.44
10/-/44

Letter No 37635 D/43-20. d. 24.4.44.

To The Managing Director,
Kollegal Silk Weavers Ltd
Care of M/s. Anjan & Co.
Chamber of Commerce Building, Bangalore City

Sir

Sub: Kollegal Silk Weavers Ltd — Requisition of properties - Valuation of Landed property as well as of movables by Arbitrator.

Ref: Your letter No Nil dt 18.4.44

I am directed to state that the proposals contained in your letter is for valuation by the Arbitrator of the

56

Copy to the DTBer

Copy to the Resident Chadwick, Bombay
Dr Judge, Coimbatore.

Archbishop of Canterbury

57

From
The District & Sessions Judge,
Coimbatore. 29237D/44

To
The Secretary to
Government,
Development Department,

Sir, D.No. 3176 Dated 13--5--1944.

Sub:- Kollegal Silk Filatures Ltd. - Acquisition of properties by Court - Payment of compensation - Arbitration proceedings.

Ref:- Your letter No.37635 D/43-25 dated 15--5--1944.

* * *

The above enquiry stands posted to 27th May 1944.

Your obedient servant,
(By order)
K Subramania
Vacation Officer.

18/5

SECRETARY TO GOVERNMENT
19 MAY 1944
DEVELOPMENT DEPARTMENT

Dev Dept 89

Letter no. 37635-D/43-2Ed 7.6.44

To Sri Rao Saheb C. Satyanarayana Chowdary
Dt. & Sessions Judge, Coimbatore

Sir,

Sub Kollegal Silk Filatures Ltd – Acquisition of properties by Govt. – Payment of Compensation – Arbitration Proceedings

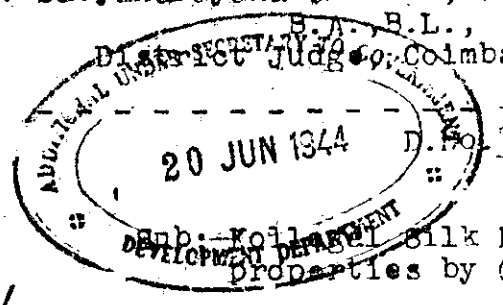
Ref your letter no. D. no. 3176 d. 18.5.44

I am to request you to state the present stage of the arbitration proceedings mentioned above

From
C. Satyanarayana Chowdri, Esq. B.A., B.L.,
District Judge, Coimbatore.

To
The Secretary to Government,
Development Department,
Madras.

35723/44



D.No. 3481/1916 dated 19-6-1944.

Sir,

Sub: Kollegal Silk Filatures Ltd. - Acquisition of properties by Government - Arbitration proceedings.

Ref: Your letter L.R.No.37635 D/43-22 dated 7-6-1944.

The enquiry stands posted for 23-6-1944 at Kollegal and it is expected to be finished at this sitting.

I have the honour to be,
Sir,
Your most obedient servant,

C. S. C.
District Judge

NR.

Dev. Dept.

Compdl.

Letter no. 37635D/43-23 d 30.6.44

Permission here

To Sri Rao Saheb C. Satyanarayana Chowdary
Dt. & Sessions Judge, Coimbatore

Sir,

Sub Kollegal Silk Filatures Ltd. – Acquisition of property by Govt. – Payment of Compensation – Arbitration proceedings.

Ref: your letter no. 3481 d 19.6.44

I am directed to enquire & state whether the arbitration proceedings have been completed and if so, when your report may be expected

Y.O.S

30/6/44

30.6.44

30.6.44

Dep'd in Sealed Cover

30.6.

15.7.44

5/7/44

Confidential.

38960 D/44
5.7.44

District Court, Coimbatore,
Dated the 3rd July 1944.

From

C. Satyanarayana Chowdri Esquire, B.A., B.L.,
District Judge.

To

T. Sivasankar Esq., I.C.S., Secretary to Government,
Development Department, Madras.

Sir,

Sub: Kollegal Silk Filatures Limited - Acquisition of properties by Government - Payment of compensation - Arbitration proceedings.

Ref: Your No. 37635 D/43-23 dated 30-6-1944.

--

After examining 2 witnesses the Government Pleader wanted time to examine an Executive Engineer who was said to be too busy with the construction of an aerodrome. To examine

P.T.O.

'66

-8-

this Engineer the enquiry stands posted to 12th July here.

I have the honour to be,
Sir,
Your most obedient servant,

C. J. Chinn

District Judge.

7

Confidential

Letter no. 37635 D/43-24 d 21.7.44

Dev. Dept.

To Sri Rao Saheb C. Satyanarayana Chowdry,
District & Sessions Judge, Coimbatore

Sir,

Sub: Kollegal Silk Filatures Ltd — Acquisition of properties by Govt. — Payment of Compensation - Arbitration proceedings

Ref: your letter no. nil. d 3.7.44.

I am to ~~request you to state the present stage of the~~ enquire whether the arbitration proceedings mentioned above have ended as yet, and when your report on the enquiry may be expected. (Y.05)

21.7.44 21/7/44

R 15.8.44

CONFIDENTIAL

39

43385 D/44
26744

From
C. Satyanarayana Chowdri, Esq.,
B.A., B.L.,
District Judge, Coimbatore.

To
The Secretary to Government,
Development Department,
Government of Madras,
Fort St. George, Madras.

- -

D.No. 4350 dated 24-7-1944
25

Sir,

Sub: Kollegal Silk Filatures Limited - Acquisition of properties by Government - Payment of compensation - Arbitration proceedings.

Ref: Your letter No. 37635 D/43-24 dated 21st July '44.

The claimants have applied for permission to examine 2 additional witnesses one of whom is Mr. Achaya who is now at Colombo. The enquiry stands posted to 17-8-1944 for this purpose.

I have the honour to be,
Sir,
Your most obedient servant,

C.S.C.
District Judge.

Dev. Dept"

Confidential

Letter no. 37635D/43-25 d 5.9.44

To Sri Rao Saheb C. Satyanarayana Chowdary
Dt. & Sessions Judge, Coimbatore

Sir,

Sub Kollegal Silk Filatures Ltd. – Acquisition of properties by Govt. – Payment of Compensation – Arbitration proceedings

Ref your letter no. D. 4350 d 24/25.7.44

I am to enquire whether the arbitration proceedings in the subject mentioned above have been completed and if so, when your report on the enquiry may be expected

Yours obedt servt

From

Satyanarayana Chowdri Esq.,
B.A.,B.L.,
District Judge.

To

The Secretary to Government,
Development Department,
Madras.

52779 D/44 73

a/q/ml 9 SEP 1944

Rc. No. 3532 dated 8-9-44.

Sir,

Subject: Kollegal Silk Filatures Ltd - Acquisition of properties by Government - Payment of compensation- Arbitration proceedings.

Ref:- Your letter No.37635-D/43-25 dated 5-9-1944-

Arguments are proceeding in the above matter.

I have the honour to be,
Sir,
Your most obedient servant,

C. S. Chowdri
District Judge.

cy

Dev. Dept. 7

Letter no. 37635 D/43 2.10.44

To Sri Rao Saheb C. Satyanarayana Chowdary
Dt. & Sessions Judge, Coimbatore

Sir,

Sub: Kollegal Silk Filatures Ltd.– Acquisition of properties by Govt. – Payment of Compensation. Arbitration proceedings.

Ref; your letter no. D 5532 d 8.9.44

I am directed to enquire whether the arbitration proceedings ~~on the above subject~~ have been completed, and if so, when your report ~~on the enquiry~~ may be expected.

Y. O. S.

Confidential.

From

G. Satyanarayana Chowdri Esq.,
B.A., B.L.,
District Judge, Coimbatore.

58099

To

R.M. Sundaram Esq., I.C.S.
Addl. Secretary to Government of Madras, Development Department, Fort St. George
Madras.

77

D. No. 6293 / 4th October 1944

Sir,

Sub: Kollegal Silk Filatures Limited-acquisition of properties by Government-payment of compensation-arbitration proceedings- stage at which they stand.

Ref: Your letter No.37635D/43-26 - 2-10-1944.

p75 above

In the middle of arguments the Government pleader filed an application to receive additional evidence and I have allowed the application after re-opening the case. The enquiry stands posted to 25-10-44 for further evidence on behalf of Government.

Your most obedient servant,

C. S. Ch

District Judge.

cy

Confidential

Dlw. 9

Letter no. 37635 D/43-27 d 6.11.44

To Sri Rao Saheb C. Satyanarayana Chowdary
District & Sessions Judge, Coimbatore

Sir,

Sub: Hollagal Silk Fibetics Ltd.—Acquisition of properties by Govt.—Payment of Compensation Arbitration Proceedings.

Ref: your letter no. 6293 d 4.10.44

I am directed to enquire whether the arbitration proceedings have been completed, and if so, when the report may be expected

Yours obediently,

5.11.44

CONFIDENTIAL

District Court, Coimbatore.

D.No. 7267. Dated 8th November 1 9 4 4.

S6268D/44

From

C. Satyanarayana Chowdri, Esq., B.A., B.L.,

District Judge.

To

The Secretary to Government, Development Department,

Fort St. George, M a d r a s.

Sir,

Sub: Kollegal Silk Filature Ltd.,-Acquisition of properties by Government-Payment of compensation - Arbitration proceedings.

Ref: Your letter No. 37635D/43 dated 3-11-1944.

Fresh evidence offered by Government Pleader was recorded on 27-10-1944. Arguments were commenced on 1-11-44 and they are proceeding. Owing to intervention of more important and urgent work the enquiry had to be adjourned to 14-11-1944 for further arguments.

I have the honor to be,

Sir,

Your most obedient servant,

District Judge.

Confidential

Letter no. 37635/43-28 d 27.11.44

Pl. issue draft

To Sri Rao Saheb Sri C. Satyanarayana Chowdri
Dt. & Sessions Judge, Coimbatore

Sir,

Sub: Kollegal Silk Filatures Ltd.— Acquisition of properties by Govt.— Payment of Compensation— Arbitration proceedings

Ref: your letter no. D. 7267 d 8.11.44

I am directed to enquire when the report on the arbitration proceedings may be expected.

Yours obediently,

for Secretary

25.11.44

25-11-44 (J.C. Aiyer) for J.S.R.)

Defd. in Secretariat in sealed cover
R 15-12-44

Confidential.

From

C.Satyanarayana Chowdri Esq.,
B.A., B.L.,
District Judge, Coimbatore.

To

The Secretary to Government
Development Department,
Fort.St. George, Madras.

Dated the 6th December 1944.

Sir,

Ref : Kollegal Silk Filatures Limited- Acquisition- payment of compensation.
Your letter No.37365 D/43-28 dated 27-11-1944.

Arguments have been concluded and orders have been reserved on 4-12-1944. Copy of the award will be sent as soon as it is pronounced.

Your obedient servant,

District Judge.

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
8 - DEC 1944
DEVELOPMENT DEPARTMENT

72208 D/44

PERSONAL UNDER SECRETARY TO GOVERNMENT
28 DEC 1944
DEVELOPMENT DEPARTMENT

75985 D/44
28.12.

CONFIDENTIAL

District Court, Coimbatore,
Dated 22nd December 1944.

Dear Sivasankar,

Subject: KOLLEGAL SILK FILATURES LTD.,-Acquisition of properties by Government-payment of Compensation-Arbitration proceedings-

--

The above enquiry is closed. As it was represented that a suit had been filed by the Company for a declaration that the acquisition itself is invalid, I had to defer the award at the request of the company. Copy of the order passed by me in this connection is enclosed. I am taking over the suit filed by the company to my file from the file of the Subordinate Judge with a view to give it a quick disposal. I am trying to see that the suit is disposed of before summer recess. My award in the enquiry as Arbitrator will be pronounced along with the judgment in the suit and copies of both will be sent when they are pronounced.

Yours sincerely,

To
T. Sivasankar Esq.,I.C.S.,
Secretary to Government, Development Department,
Fort St. George, M a d r a s.

M 75986D/44

C. C. No. 2 of 1944

O. P. No. 17 of 1944.

Order:-

GOVERNMENT ... DEC 1944 ... DEPARTMENT

Kollegal Silk Filature Company is the only person interested in having this award for the excess amount claimed by it as quickly as possible. But the learned Counsel appearing for the Company wants further proceedings in this inquiry to be stayed pending disposal of the suit which he says he has filed questioning the validity of the acquisition of the Silk Filature in question. If the acquisition itself is found to be invalid, no question of compensation can arise. The amount already deposited by the Government has been drawn by the Company. This dispute relates to the excess claimed by the Company. It is represented on behalf of the Company that legal complications are likely to arise if the award in this enquiry is now pronounced and that the company is anxious that the award should be deferred. There are no public interests involved in this enquiry and the only person interested in having the amount determined and in drawing it is the Company. When this Company itself wants the award to be deferred, I can find no valid objection to refuse its request. Having regard to the importance of this litigation from the point of view of war production, it is necessary to see that the suit is disposed of as early as possible. As the Subordinate Judge before whom the suit is filed is not likely to be able to spare time for this suit in view of the heavy work before him, the question of taking over the suit to the file of this Court for quick disposal will be dealt with on the administrative side. The award will be pronounced along with the judgment in the suit. To decide the question whether certain portions of the machinery in the Silk Filature are moveable or immoveable property in the light of the arguments advanced on this point by both sides, it has become necessary to make a personal inspection to see these parts when they are actually working and this will be done in the meanwhile after giving notice to both sides.

(Sd) C.S.Chowdri
(Arbitrator) 15-12-44.

Ennst no 37635/43-29 d 2.1.45

(True copy)

District Judge
(Arbitrator).

Y 88

Dear Deputy

To Addl. U.S.

Submitted for perusal of the minutes of the meeting held at p 3 above re: arbitration proceedings before the Dt. Judge Orientalwe.

A copy of the order at p 3 of may be communicated to the Dt Sc. Draft entd on p 3 above is for approval.

K 29.12.44

S for perusal. 30.12.44

29.12.44

A3 may be effected in.

A3 (after issue)

Dear Sir,

I am directed to forward herewith a copy of the minutes of the meeting held at 3 p.m. on the 29th December 1944 in connection with the arbitration proceedings before the District Judge, Orientalwe.

Yours faithfully,

Secretary

Dated 3/1/45

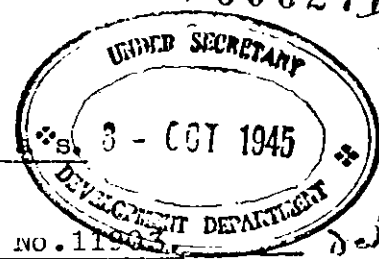
From

K.Thandavam Chettiar, B.A., B.L.,
Advocate,
Coimbatore.

60627/D/45

To

The Secretary,
Development Department,
Madras Government, Madras.



Sir,

Your Ref: - Memorandum No.11903.
Sub: Kollegal Silk Filatures Ltd., -Claim for enhanced compensation by the company- C.C.No. 2 of 1944 - Arbitration.

The arbitrator pronounced his award on 22-9-1945.

The company accepted the compensation of Rs.7265-10-0 awarded by the government, for the land and well.

The company claimed Rs.95250/- for plant & machinery as against Rs.43129-6-0 awarded by the government. The company claimed Rs.50000/- for the buildings, as against Rs.29566-7-0 awarded by the government. The company raised a 3rd plea, that the items of plant & machinery were immovable property.

In respect of the plea set up by the company as regards the various items of plant and machinery, objections were filed by me on behalf of the government, that all the items of plant and machinery except the strifling chambers, are moveable property. It was admitted on behalf of the government, that the strifling chambers valued at Rs.300/- should be deemed to be immovable property. The arbitrator has accepted the evidence let in on behalf of the government, and has held that all the items of plant and machinery except the strifling chambers are movable property.

As regards the value of buildings, the arbitrator has rejected the interested evidence of the company and has held that the sum of Rs.29,566-7-0 awarded by the government is more than the fair and reasonable value of the buildings.

P.T.O.

As regards the value of the plant and machinery, the arbitrator has rejected the exaggerated claim of the company and has held that the compensation of Rs.43129-5-0 fixed by the government is a fair and reasonable value of the plant and machinery.

Thus, the arbitrator has held in favour of the government on all the 3 issues raised by the company.

In view of the untenable pleas and objections raised by the company, the arbitrator has ordered that the company should pay the full costs of the government.

The arbitrator is sending a copy of the award to the government through the Director of Industries and Commerce.

As soon as the certified copies of the fair order (award) and final order, are received by me, I shall send the same to the government through the Director of Industries and Commerce.

K Thandapani
Govt Pleader

From
Sri Rao Bahadur C. Satyanarayana
Chowdri B.A., B.L.,
Arbitrator (District Judge)
Red Fields, Coimbatore.

To
The Secretary to the Government of
Madras, Development Department, Fort
St. George, Madras, through the
Director of Industries & Commerce,
M A D R A S.

UNITED SECRETARY
13 OCT 1945
DISTRICT DEPARTMENT

Dated 1st October 1945.

Sir,

Subject: Defence of India Rules - Acquisition of immovables properties - Kollegal Silk Filatures Limited - Payment compensation - Appointment of Arbitrator - Passing of Award - Copy of award forwarded.

Ref:- G.O.No.Ms.2436, Development Dept. dated 30-9-1943.

A copy of my award passed on 22-9-1945 is enclosed. The decretal order will follow.

Arbitrator (District Judge)

Copy to:
The Secretary to the Govt. of Madras, Development Dept., Fort St. George, Madras for information.

ck/

original in C11903D/45

Extract from letter No. D.5-2160/42., dated the 16th October 1945 from the Director of Industries and Commerce, Chepauk, Madras to the Secretary to Government Development, Department Madras.

..

Sub: Industries - Sericulture - Suits - Kollegal Silk Filatures, Ltd., Kollegal - Compensation - Award - Suit.

C.C.No.'2 of 1944- Kollegal Silk Filatures Ltd., Kollegal.

I invite attention to the award of the Arbitrator in the above suit, copy sent direct to Government. I am glad to note that the Arbitrator has found for Government on all Counts.

✓ RC

(Truscott)
30/10/45

Memo No 37635 dt 22-10-45

Sub: War - D.O.I Rule - Acquisition of Properties of Kolhapur Silk Weavers - Compensation - Arbitration proceedings.

Ref: Para 1 of Letter No. D5-2160/42 dt. 16.10.45 from the D.I.B. Extract at P 93 C

The Arbitrator had requested in his letter dated 1-10-45 that he was forwarding the award and the decretal order relating to the arbitration proceedings through the D.I.B. The award has not been received by the Post direct from the Arbitrator as stated in the letter cited. P 93 C

The D.I.B. is requested to submit the award and the decretal order if he has received them from the Arbitrator.

Vide Copy of letter at P 91 C

* Vide B on P 91 C

To the D.I.B.

Dom 23/10/45 R 5.11.45

96

Dev Deptt

24.4.M.

To The D.I.S.C

Sub- Industries - Sericulture - suit - Kollegal Silk Filatures Ltd.
Kollegal - compensation - Arbitration Award

Cys at p 93 of Ref: your letter No. D.15 2166/42 d 16.10.45

Please submit a copy of the award of the Arbitrator
A on p 91 c/f It has not been sent to the Govt, by the Govt. Pleader, Coimbatore

20/10/45

R 1.11.45

From
C. Satyanarayana Chowdri Esq.,
B.A., B.L.,
Arbitrator (District Judge)
Red Fields, Coimbatore

To
The Secretary to the Government of Madras,
Development Department, Fort St. George,

RECEIVED 1945
DEVT. DEPARTMENT

Through the Director of Industries and Commerce, Madras

Dated the 25th day of October 1945.

Sir,

Subject: Defence of India Rules - Acquisition of immovable properties - Kollegal Silk Filatures Limited - Payment of Compensation - Appointment of Arbitrator - Decretal order forwarded.

Reference: G.O.Ms.No.2436, Development Department, dated 30-9-1945.

2. My letter No.6072 dated 2-10-1945.

A copy of my decretal order in the above is enclosed.

Arbitrator (District Judge)

Copy to

The Secretary to the Govt. of Madras, Development Department, Fort St. George, Madras, for information.

Before C. Satyanarayana Chowdri Esquire, B.A., B.L., District Judge - Arbitrator appointed in G.O.No.MS.2436, Development Department, dated 30th September 1943.

Saturday, the 22nd day of September 1945.

Defence of India Rules - Acquisition of the Kollegal Silk Filatures Limited for war purposes - Payment of compensation - Determination of.

ORIGINAL PETITION NO. 17 of 1944
(Compensation case No. 2 of 1944)

The Kollegal Silk Filatures Limited, Kollegal — Claimant.

Against

The Province of Madras by the Director of Industries and Commerce, Madras — Respondent.

This reference having been heard by me as District Judge, Coimbatore and Arbitrator, on 9-3-1944 and 10-3-1944 at Kollegal in the presence of Sri Subramania Ayyar, Vakil for the claimants and the Government Pleader for the respondent; on 2-6-1944, 3-6-1944, 4-6-1944, 23-6-1944, 24-6-1944 and 26-6-1944 at Kollegal; on 12-7-1944, 13-7-1944, 14-7-1944, 15-7-1944, 17-8-1944, 3-9-1944, 4-9-1944, 5-9-1944, 7-9-1944, 8-9-1944, 27-10-1944, 31-10-1944, 2-11-1944, 2-11-1944, 14-11-1944, 15-11-1944, 16-11-1944, 17-11-44, 20-11-1944, 21-11-1944, 23-11-1944, 2-12-1944 and 4-12-1944 at Coimbatore; and the award having been temporarily deferred at the request of the company by my order dated 15-12-1944 to await the disposal of O.S.No. 285 of 1944 on the file of the Subordinate Judge's Court, Coimbatore (since withdrawn to District Court, Coimbatore as O.S.No. 2 of 1945) relating to the subject-matter involved in this enquiry and the enquiry having been resumed and coming on before me on the 6th, 7th and 9th days of September 1945 in the presence of Sri P.S. Balakrishna Ayyar Advocate for the claimants and of Sri K. Thandavam Chettiar, Government Pleader for the respondent and having stood over to this day for consideration, this Court doth pass the following

A W A R D:

(1) That the compensation offered by the Government in respect of the buildings viz., Rs.29,566--7--0 and for the stifling chamber viz., Rs.300/- is fair and adequate;

(2) That all items of machinery except the stifling chamber and described hereunder are declared as movables; and

(3) That the claimants do pay respondent-Government the sum of Rs.1,752-- 6--0 its costs in the proceedings and do bear their own costs Rs.1,366--11--0.

Particulars of costs.

For claimants:		For Respondent:	
1. Stamp on Petitions	9-12-0	Stamp on petitions	6--0--0
2. do on vakalat	1--0-0	Process fees	10--0--0
3. Witness batta	350--8-0	Expenses for travelling from Coimbatore to Kollegal for 3 hearings at Kollegal i.e. from 9-3-44 to 12-3-44, 2-6-44 to 4-6-44 and 24-6-44 to 26-6-44 at Rs.187-2-0 for each hearing	561--6-0
4. Process fees	5--0-0		
5. Preparation of process	0--7-0		
6. Pleader's fee	1000--0-0	Pleader's fee	1175--0--0
Total Rs.	1366--11-0	Total Rs.	1752--6--0

Description of buildings.

Land specified below together with the buildings thereon:

District Taluk and Village	Field Survey Nos.	Extent in Acres.
Coimbatore Kollegal Mudigundam	91-A	0.79
	92	4.52
	93	0.25
	213-A	1.21
	213-B	1.51
	225	1.97
	226	1.78

Items of machinery claimed as immovables by the claimants.

1.	Boiler No. 1 M/1145 with pump complete fittings in working order	1
2.	do No. 2 M/3080 in complete working order, except the pump	1
3.	Steam Engine, 6 N.H.P.	1
4.	30' pipe with flanges & wheel valves	30 feet.
5.	35' of 4" pipe with one stop cock & 2 wheel valves	35 feet.
6.	Stifling chamber with trolley arrangement	2
7.	Hooks for ~~holding down steam pipes~~ hanging to Connection of Stifling chamber	2 & 8.
8.	Hooks for holding down steam pipes	2
9.	(REELING HALL) One wooden stand	
10.	Italian Silk Filature Reeling basins of 6 ends complete with water and steam connections & Z bows	52 basins.
11.	do Italian basins of 4 ends complete with water & steam connections & Z bows	24
12.	French (Pondicherry make) 4 ends complete with water & steam connections	24
13.	INDIAN' Made Reeling basins, cement frame, 4 ends complete with steam and water connections & Z bows	50
14.	Kerosene Engine, 3 H.P	1
15.	Do 1½ H.P.	
16.	Centrifugal Pumps with fast & loose Pulleys	2
17.	One balancing tank with float for hand reelers, hand watering	1
18.	Reeling basin outlet	1
19.	Domestic basins charkas	6
20.	Baleing Press	1
21.	Pipes lin. fixed from well to pump & from pump to tank and distribution line & etc. as follows:	
	(a) 1½" G.I. Pipes with fittings complete	116'
	(b) 2" G.I. Pipes do do	300'
	(c) ¾" G.I. Pipes do	50'
22.	150' of 2½", 2" & 1½" G.I. pipes - fittings	150'
	[illegible] complete fittings	50'

25. One Platform with girders and rails to support main drive shafting including shaft, bearings, pulleys fixed on rail towers — one

26. One Skeining machine fixed on a shelf in the wall — one

27. Erection of all these machinery with foundation and putting the same in working order

28. Brass Bib-Cocks fitted for water mains

Given under my hand and the seal of the Court this 22nd day of October September 1945

(Sd) C. S. Chowdri
Arbitrator
(District Judge)

Copy to the Secretary to the Government of Madras, Development Department, Fort St. George, Madras.

/ True Copy /

(By Order)

Sheristadar.

102

O.P. 17/44. C.C. 2/44

Final Award

22-1-45

C.F. 32 (a).

In reply, please quote number, date and short title.

INDUSTRIES & COMMERCE DEPARTMENT.

UNDER SECRETARY
2 - NOV 1945
DEVELOPMENT DEPARTMENT

Received Registered

From (Name) V.Khaleel [illegible], I.C.S.,

(Designation) Director of Industries & Commerce

Post Box Chepauk, (Station) Madras.

Telegraphic Address

To 67541 D/45

The Secretary to Government,
Development Department.

No. D&. 2160/45, *dated* 30th October 1945.

Sir,

Sub: Industries - Sericulture - Suits—Kollegal Silk Filature Ltd, Kollegal Compensation - Award.

Ref: Government Memorandum No.37638-D/45-30, Development dated 22nd October 1945.

ENCLOSURES 1 paper Award of 15 pages

I forward herewith the award received from the Arbitrator. The decretal order has not yet been received from him and it will be forwarded to Government, on receipt.

SPARE COPIES

The Government Pleader, Coimbatore has written to me to say that the hearing of suit O.S. No.2/45 has been adjourned to 21-11-45 to enable Mr. K.T.Achayya to appear as a witness for the plaintiff.

for Director of Industries & Commerce.

[illegible]. /11-10

31/10

Before C. Satyanarayana Chowdri Esq.,B.A.,B.L.,

District Judge - Arbitrator appointed in

G.O.No. 2436 Development Department, dated 30-9-1943.

Saturday, the 22nd day of September 1 9 4 5.

Defence of India Rules - Acquisition of the Kollegal Silk Filatures Limited for War purposes - Payment of compensation - Determination of.

Original Petition No. 17 of 1944 (District Court Coimbatore)

(Compensation Case No. 2 of 1 9 4 4).

The Kollegal Silk Filatures Limited ... ... Claimants.

Against:

The Province of Madras by the Director of Industries and Commerce, Madras. ... Respondent.

This reference having been heard by me as District Judge, Coimbatore and Arbitrator, on 9-3-1944 and 10-3-1944, at Kollegal in the presence of Sri.C.R. Subramania Ayyar, Vakil for the Claimants and the Government Pleader for the Respondent; on 2-6-1944, 3-6-1944, 4-6-1944, 23-6-1944, 24-6-1944 and 26-6-1944 at Kollegal; on 12-7-1944, 13-7-1944 14-7-1944, 15-7-1944, 17-8-1944, 3-9-1944, 4-9-1944, 5-9-1944, 7-9-1944 8-9-1944, 27-10-1944, 31-10-1944, 1-11-1944, 2-11-1944, 14-11-1944, 15-11-1944, 16-11-1944, 17-11-1944, 20-11-1944, 21-11-1944, 23-11-1944, 2-12-1944 and 4-12-1944 at Coimbatore; and the award having been temporarily deferred at the request of the company by my order dated 15-12-44 to await the disposal of O.S.No.285-44 on the file of the Sub Court, Coimbatore (since withdrawn to District Court, Coimbatore as O.S.No.2 of 1945) relating to the subject-matter involved in this enquiry and the enquiry having been resumed and coming on before me on the 6th, 7th and 9th days of September 1945, in the presence of Mr.P.S.Balakrishna Ayyar, Advocate for the claimants and of the Government Pleader for the Respondent, and having stood over for consideration till this day, the arbitrator passed the following award :—

This dispute relates to the acquisition of a silk filature at Kollegal by Government for military requirements under the Defence of India Rules. The property acquired consists of machinery and the buildings in which the machinery is worked. The silk filature in question belongs to a limited company which was functioning on the date of this acquisition as the Kollegal Silk Filatures Limited.

2. The amount offered by the Government by way of compensation for the lands on which these buildings and the machinery stand is Rs.7265-10-0 and this amount has been accepted by the claimants as reasonable and fair. For the buildings the amount offered by the Government is Rs.29,566-7-0 while the company is claiming Rs.53791-12-0

3. Another point in dispute is, whether the machinery in question is moveable or immoveable property. If it is moveable property, the amount offered by the Government as ~~contemplated is final and~~ compensation for acquiring it is final and as an Arbitrator under the Defence of India Rules, it will not be within my jurisdiction to deal with this matter. But the question of the adequacy or ~~determination~~ otherwise of the compensation offered will be within my jurisdiction if it is considered immoveable property.

4. The points arising for consideration before me are:-

(i) Is the compensation offered for the buildings in question fair and reasonable? If not, what is the reasonable amount payable for these buildings as compensation?

(ii) Whether the machinery of the silk filature or any portion thereof is immoveable, and if so, what is the reasonable compensation payable to the Company?

5. These properties were acquired by the Government on 16th March 1943. Section 23 of the Land Acquisition Act which is made applicable under the Defence of India Rules lays down that the value of the land on the date of the publication of the notification by the Government should be taken into consideration. This property was requisitioned under Exhibit P-1 dated 12-3-1943 and it was taken possession of on 16-3-1943, while orders for acquisition were passed on 30-3-1943. It follows that we have to take into consideration the market value of these buildings on these dates. Under Section 23(1)(iv) of the Land Acquisition Act, loss of earnings may also be taken into consideration in fixing the compensation payable. Section 19 of the Defence of India Rules lays down that Section 23(1) of the Land Acquisition Act shall apply so far as it may be applicable.

6. What is the market value of the buildings in question on 12-3-1943, 16-3-1943 and 30-3-1943? R.W.3 is an Executive Engineer and he was appointed by the Government to value these buildings. His valuation is Rs.25,734 for the buildings and Rs.5,682 for the land and the well thereon. Exhibit D-6 is his valuation report referred to in his evidence. The amount offered by the Government is Rs.7,265-10-0 for the lands and the well thereon and ~~there is no dispute about these~~ Rs.29,566-7-0 for the buildings. As already stated the Company has accepted Rs.7265-10-0 [illegible] and there is no

dispute about these items. R.W.3 has classified the buildings into three classes and estimated them at Rs 39,473 and fixed their market value on the date of this acquisition at Rs.25,734, after deducting depreciation. The amount offered by the Government for these buildings, viz., Rs.29566-7-0 is more than the amount recommended by R.W.3.

7. On behalf of the Company, C.W.2 has been examined and he has filed his valuation statement as Exhibit P-3 in support of his evidence. The evidence of R.W.3 makes it clear that C.W.2's calculations are wrong by Rs.8100 in respect of roof timber by Rs.4300 in respect of masonry and by Rs.1000 in respect of window frames and by Rs.1000 in respect of flooring; these items come to about Rs.14,400. The measurements of doors, windows and ventilators given by C.W.2 in his report are also found to be incorrect when we compare these with the evidence given by R.W.3 on these matters. C.W.2 is an interested witness as he is related to the managing director of this company who is conducting this litigation on behalf of the company. C.W.2 has estimated these buildings at Rs.62,284-4-0 and fixed their market value at Rs.53,791-12-0 after deducting for depreciation at a flat rate of 15%(Rs.53,791-12-0). When cross-examined about the work done by him in estimating these buildings, C.W.2 states that he had deputed his assistant in October 1943 to see the buildings and prepare a detailed estimate and that his assistant submitted Exhibit P-3 to him as his report about these buildings. He adds that he made a casual inspection of these buildings after going through this report. When asked to explain what he did at this inspection, he gave the reply "All that I did was to go round the buildings and merely look at them and I did nothing more in these buildings while going round them". On this material it is difficult to attach any value to the evidence of this witness regarding the value of these buildings. His evidence is practically based upon the report said to have beensubmitted to him by his assistant. No calculations were made by him and no actual testing was done by ~~xxxxxxxx~~ him in respect of any portion of the building. What his assistant did or what he stated in his report cannot be evidence here so long as he has not been placed in the witness box to give evidence, though the report may be evidence to corroborate him when he gives evidence. In any view of the matter the probative value of Exhibit P-3 and the evidence of C.W.2 based upon it is not much for the reasons mentioned above.

8. As regards the depreciation allowed by C.W.2, there is no authority for allowing it at a flat rate of 15 per cent. C.W.2 himself admits: "I think 2½% is allowed for depreciation per year in the case of buildings". C.W.2 has valued the timber used in these buildings as teak at Rs.15/- per c.ft, while R.W.3's evidence is that it is country wood worth about Rs.6 per c.ft. This gives a difference of Rs.8100. Exhibit D-6 gives us an idea of the rate allowed by the P.W.D for country wood in 1942-43; it shows the rate at Rs.7 per c.ft showing a difference of one rupee per c.ft according to the evidence of R.W.3. R.W.3 has given reasons for his opinion that it is countrywood, while C.W.2 has given no reasons for his opinion. R.W.3 has fixed the quantities of brick and wood and estimated them according to P.W.D rates. The market value of labour and material on the date of this acquisition at Kollegal is important and this can be easily ascertained from Exhibit D-6 so far as labour, brick work and pipes are concerned. Moreover, there is also the evidence furnished by Exhibit P-17 for the cost of a similar construction in 1942-43. It is possible to ascertain the market value of the building material, labour etc about the time of this acquisition from Exhibit P-17. We may assume that the buildings in question would have cost this amount, if they had been constructed in 1942-43. When we take into consideration the fact that these buildings had been constructed several years before 1942-43 and deduct depreciation in accordance with rules we get the market value on the date of acquisition. This is the process adopted by R.W.3 and it is in accordance with the rules and procedure adopted by the P.W.D.

9. R.W.3 has classified the building into three classes according to their age and his evidence is that some of these buildings are 32 years old, some 11 years and some 2½ years. His evidence is that the majority of the walls were in brick in clay, though in some portions the walls were of brick in lime and mortar. He tested the timbers in these buildings by removing shavings from them. The majority of the doors, windows and ventilators were of country wood according to him though a small portion was of teak wood. He worked out the load coming on the pilasters. His opinion is that these pilasters had not been designed properl

At the basement level the pressure worked out to 1.67 tons per s.ft against the permissible pressure of 1.25 tons per s.ft in brick and clay. He says that in calculating the cost of the buildings the rates followed in the Kollegal Section by the P.W.D were adopted by him except for cement, iron, corrugated iron sheets, teak wood, reepers and Mangalore tiles. For cement he has adopted the rates of India Stores Department for supply at Kollegal. For valuing the iron in these buildings, he has adopted the rates at which the articles were supplied by the Controller of Supplies to the Government Silk Filature constructed at Kollegal at the time of this acquisition in 1943. In valuing the Mangalore tiles on the buildings acquired, he has adopted the rates at which these were sold at the factory at the place of manufacture near Mangalore at the time of this acquisition. In valuing the teak wood reepers, P.W.3 has adopted a reasonable increase over the P.W.D rates. P.W.3 says that he did not find these buildings up to the standard i.e., the standard laid down in the Madras Detailed Standard Specifications and that in spite of this he has adopted the rates allowed for buildings constructed according to the Madras Detailed Standard Specifications in estimating these buildings. He points out that the rafters in the roofs in these buildings had not been spaced according to P.W.D standard and that the masonry ~~had~~ not ~~been~~ upto P.W.D specifications. He pointed out that the roofing and roof timbers were not also according to P.W.D specifications. He has disallowed 10 per cent of the cost of these buildings on account of the defects. He has prepared sketches and estimates for all these buildings and given descriptive data on which he has arrived at his figures for the various items of work involved. He has allowed 2½ per cent depreciation per annum for the buildings which are 30 years old and 3 per cent for the buildings 11 years old. He explains that some of the roof timbers, door frames and window frames had been removed from other buildings and used in these buildings and for this reason he has allowed 3 per cent depreciation per year. As regards the buildings which are 2½ years old, 10 per cent of the cost of erecting them was deducted by him from his estimated cost to arrive at the market value of these buildings to-day. He explains that the practice with the P.W.D is that 10 per cent of the present cost of erecting a building is deducted, even if it is only one year old, in valuing it for fixing its cost to-day.

It is not necessary to go into the details of every item of the building furnished by him.

10. The evidence of C.W.2 is that these buildings would cost Rs.62,284-4-0, while R.W.3's evidence and his report in D-6 would show that if they are put up today they would cost Rs.39,743/-. How are we to account for this difference of about Rs.23,000 between these two figures R.W.3 has explained this in his evidence. Exhibit P-17 gives the rates for the silk filature put up by the Government at Kollegal in 1943.C.W.2 admits that these rates are correct and he would have us believe that he has himself adopted these rates while as a matter of fact the rates adopted ~~xxxxx~~ by him are different. For example, the rate for earth work and excavation is Re.0-9-0 according to R.W.3 as shown in his report Exhibit D-6, which is based upon the rates of Exhibit P-17 while C.W.2 has shown it as Rs.2/- in his report Exhibit P-3. Flooring with 3" concrete is shown at Re. 3-7-0 in Exhibit D-6 by R.W.3 while it is shown at Rs.12 in Exhibit P-3 by C.W.2. Plastering with mortar is shown at Rs.10-4-0 in Exhibit D-6 by R.W.3 while it is shown at Rs.6-8-0 by C.W.2 in Exhibit P-3. Roofing with tiles is shown at Rs.31-5-0 in Exhibit D-6 while it is shown at Rs.35-8-0 in Exhibit P-3. These instances ought to be sufficient to show that C.W.2's statement that he adopted the rates of Exhibit P-17 is not correct. It has also to be remembered that the value of the roofing varies according to whether the material used is country wood or teak. R.W.3 has pointed out in his evidence the various errors committed by C.W.2 and explained how he has arrived at his values.

11. The learned Government Pleader has emphasized the fact that the company itself has shown the market value of these buildings in the balance sheet for the year ending 30th June 1943 as Rs.29,566-7-0 (Exhibit D-2). The evidence of R.W.3 is that these buildings are worth much less The Government have accepted the figure mentioned by the company in their balance sheet and offered this amount as compensation. Both according to the estimate made by the company in Exhibit D-2 ~~and the estimate made by the company in Exhibit P-3~~, and the estimate made by R.W.3 the amount offered by the Government as compensation towards these buildings appears to be fair and reasonable and I find no grounds to award ~~xxx~~ more. For the reasons mentioned above I consider it saf to act upon the evidence of R.W.3 and prefer his evidence to C.W.2.

12. Section 19 of the Defence of India Rules makes only Section 23(1) of the Act applicable and therefore it is not open to the company to claim 15 per cent more on the market value as provided for under Section 23(2) of the said Act though loss of earnings may be taken into consideration in fixing the market value.

13. The next question for consideration is regarding the machinery acquired. The first point for consideration in this connection is whether the machinery is moveable or immoveable property. The principle to be applied in deciding a question of this kind have been laid down in Subramaniam Chettiar v. Chidambaram Servai - 51 Law Weekly 155. According to this decision if a thing is fitted in a house for the mere beneficial enjoyment of the house itself, then it is part of the house and therefore immoveable property. On the other hand, if the thing is so brought there for its own better use then it remains moveable in spite of the fact that it is fixed or imbedded in the ground. On behalf of the company reliance is placed upon Mohammed Ibrahim v. The Northern Circars Fibre Trading Co. Coconada - (1944) II Madras Law Journal page 6 This was a case of a bone mill installed on a platform and held in position by being attached to iron pillars fixed in the ground to a depth of nearly 6 or 7 feet. It was a case of a mill resting on iron pillars imbedded in earth to a depth of nearly 6 or 7 feet and therefore it was considered immoveable property. In the case before me, the machinery is not so imbedded in the ground. The principles laid down in Subramaniam Chettiar vs. Chidambaram Servai and those laid down in Narayana Sa v. Balaguruswami Nadar - (XLV Madras Law Journal 385) are the principles applicable to cases of this kind and the question is whether the machinery in this case can be treated as immoveable property after applying these principles. At page 65 of (1944) (II) M.L.J.,it has been pointed out that it is the intention that is most important in a case of this kind. Was the machinery placed in these buildings with the intention of making it part of the building? Was it intended to be part of the land or these buildings? What was the object of its annexation there? These are the questions to be answered even according to the case relied upon by the company in determining the question whether a machinery is moveable or immoveable. Even the case relied upon by the company makes it clear that it is always a question of f

in each case whether a machinery is moveable or immoveable.

14. Mr Peyshaud who is in charge of these silk filatures at Kollegal has been examined as R.W.1. There are about 150 basins working in the silk filature under consideration and they constitute the most important portion of the machinery working there. The other portions of the machinery are meant only to work these basins. R.W.1 says that these basins are easily removable. The boilders in the silk filature are resting on their own weight and they are also easily movable. Even the steam engine is not permanently fixed in the ground. These are the main items claimed as immoveable property by the company. These basins are connected by steam pipes and water pipes. But these pipes are fixed there for the benefit of the basins and not for the benefit of the building as such. In this case the machinery is the primary thing and it is to work this machinery these buildings have been put up; the machinery is not there for the mere beneficial enjoyment of the buildings while the buildings are there to provide shelter for the machinery and for those working there. It is pointed out at page 385 in 45 Madras Law Journal referred to above:

> "It will be a dangerous doctrine to hold in this country that plant and machinery brought into a building for the purpose of trade being carried on, whether by owner or by the mortgagee, are so annexed to the building as to make them pass as fixtures merely because the building is sold either by the owner or by the Court in execution".

At page 387, it has been observed:-

> "It seems to me that in cases of houses the primary considerations in determining whether the items claimed are fixtures under S.8 of the Transfer of Property Act should be whether the articles are provided for the permanent use of the house, and whether they can be said to be articles which are necessary or which are provided for the more beneficial enjoyment of the property and I do not think that under that term machinery brought into the house for the purpose of carrying on business can be included. On important test in these cases is with what intention were the articles put into the house? Were they put in for the more beneficial enjoyment of the house or with the object of improving the value of the house ~~or with the object of improving the value of the house~~ by making it more artistic or were they put in with a collateral purpose?"

15. It cannot be said that the machinery in question before me is there for the more beneficial enjoyment of the buildings as such; really it is there for its being used as such and for trade purposes. When that is so, the machinery continues to be moveable in spite of the fact that some connecting portions are found fixed in the ground or the walls of the buildings. The position of this machinery is explained by R.W.1. He is a French Graduate in Science and Mathematics. He had

training in sericulture and silk reeling in France between 1910 and 191 He was in the Army during the last war. After demobilisation in 1918 he took a further course in sericulture in Italy. He was in Kashmir before the last war between 1912 and 1914 as Sericulture assistant. He had returned to Kashmir service in 1920 and continued there till the end of 1941. Between 1920 and 1935 he was the Deputy Director of Sericulture in Kashmir. From 1935 ~~[illegible]~~ till the end of 1941 he was in charge of the whole silk industry in Kashmir as Director of Sericulture. From 1-1-1941 he is employed as Deputy Director of Textiles in the Central Government. From 1943 he is the General Manager in charge of the silk Filature at Kollegal. As regards the machinery in question his evidence is that the basins and boilers and the steam engine there are its main items, that these basins can stand on their own weight and work and that there is no need to fix them in the ground. He explains that as the flooring had not been properly levelled the company had to fix the basins stands in some portions with cement plastering and that if the flooring is levelled this cement plastering becomes unnecessary and that it can be broken at a cost of a few rupees. This evidence is in accordance with what I noticed when I inspected this machinery. ~~[illegible]~~

16. As regards the boilers P.W.1's evidence is that they can be removed to any place and worked anywhere and that no foundation or masonry work is necessary to work them. As regards the steam engine his evidence is that it is a small one and that it is capable of being removed easily. He says:,

> "We remove it from its place often to clean it, though it is attached to a foundation by 4 nuts. To remove it from one place to another all that you have to do is to remove those 4 nuts and it may not take even 10 minutes to do this".

He says that all the steam pipes in the filature are aboveground.

17. As against the evidence of P.W.1 we have the evidence of one Mr.Achayya who was in charge of this filature before P.W.1 took charge and he has been examined as C.W.4. After retiring from service here in April 1943, he joined service under the Government of Ceylon as a sericultural Expert. His evidence is that it is necessary that the reeling stand and the basin table are fixed in the ground lest they should shake while working. He thinks that if they shake the thread might not spread evenly on the reel. The steam engine and the boilers there have also to remain fixed in the ground according to him. He

points out that pipes are attached to the boilers and that without these being disconnected, the boilers cannot be moved, that there is a level tank in the factory and that water in it has to be at a fixed level. As regards the pulleys and shafts his evidence is they too have to remain fixed for working. What I observed during my personal inspection was that the basins were resting on iron stands in 2 rows. These are heavy and weighty stands resting on the ground and requiring no imbedding in the ground though the ground was found raised by about 2 inches over the legs of these stands in some portions with cement for raising the level of the ground between the two rows for drainage purposes. These stands are too heavy to shake while the basins fitted on them work. The iron stand on one side was completely resting on the ground on its own weigh and no leg on this side was found imbedded in the ground. This shews that no imbedding of these stands is necessary to work these basins on them. On this material I hold that these basins are not immoveable property.

18. There is a platform on which pulleys are fixed and this was found resting on 4 iron stands when I inspected the premises. On this platform is fixed the shaft which carries the pulleys. These iron stands are imbedded in the ground and they must remain so imbedded to carry the shafts and pulleys. The steam engine in the buildings is separated by a wall from this platform and it is connected by a belt through a wall separating it from the platform. This engine is not in use and it was found imbedded in the ground with four bolts on four corners. Steam pipes starting from the steam boiler in the room are connected with this steam engine. The steam pipe is taken over the platform through a passage in the wall from the boiler on the other side of the wall and it is fitted over the basins by small pipes going down int the basins. Though this steam engine has to be fixed to the ground by belts, it is not there to add to the more beneficial enjoyment of the building; it is there for trade purposes. The same argument applies to the platform also. The engine portion of the boiler is resting on a small pial or mound. The pipe supplying water to the boiler is fixed to the ground and through it water passes into the boiler and it is connected with the boiler. The boiler is thus [redacted] with the water pipe which is imbedded in the ground, though

the boiler itself is resting on its own weight. Even these items are there for the more beneficial enjoyment of machinery as such and for trade purposes and not for adding to the more beneficial enjoyment of the building as such. The intention in fixing these items there was clearly to use them for trade purposes and for the more beneficial enjoyment of the basins and not for the more beneficial enjoyment of the buildings.

19. There is one stifling chamber. This is a dark room closed with small iron sheets. There is an iron trolly resting on rails in the room. The rails are fixed in the wall in the room. This stifling chamber is valued at Rs.300 in Exhibit P-4. The learned Government Pleader admits it is immoveable property and that it is worth Rs.300.

20. Items 17 to 20 in Exhibit P-5 are baling press etc and these are not now claimed to be immoveable property by the learned counsel appearing for the company. (11) Exhibit P-5 is part II of the report prepared by one Mr. Ramayya who has been examined as an expert on the question of the price of the machinery. The items referred to above are items 1 to 16 in Exhibit P-5. The other items mentioned in Exhibit P-5 as immoveable property are trivial and they require no serious consideration. Items 21 to 25 in Exhibit P-5 relate to pipe lines. Even these cannot be said to be there for the more beneficial enjoyment of the building and it cannot be said that the intention in fixing these thereon was not for trade purposes. As pointed out in Spyer v.Phillipson (1931) Chancery 183 at 207) the purpose for which an article or ornament is brought into a place is important in considering the question whether it is part of the place where it is fixed and therefore immoveable property or whether it continues to be moveable property. This is what we find stated there at page 206:

> "In dealing with the question of fixtures it sometimes becomes material to consider the object and purpose of the annexation, by which I do not mean that there must be an inquiry into the motive of the person who annexed them, but a consideration of the object and purpose of the annexation as it is to be inferred from the circumstances of the case *** that being so, it is impossible to say that the only matter to be taken into consideration is the quantum of fixture.....The mode of - annexation is only oneof the circumstances of the case, and not always the most important --and its relative importance is probably not what it was in ruder or simpler times..... the quantum of attachment is a factor, and not always the most important factor for decision.....I think one must consider: Why was the article or ornament ever brought into the flat at all? Was it for the permanent ennancement of the building itself, or was it for the

but not more than factor

enjoyment of the ornament itself?.....The principle appears to me to be the same to-day as it was in the early times, and the broad principle is that, unless it has become part of the house in any intelligible sense, it is not a thing which passes to the ~~part of the~~ house, and was never intended in any way to become part of the house."

I am of opinion that this tapestry has become a part of

22. On the material referred to above regarding the position of the machinery in these buildings and the way in which it is worked and in the light of the decisions referred to above, I am of opinion that the entire machinery in question except the stifling chamber is moveable property that it was brought to these buildings for being used as machinery for trade purposes and that therefore it continues to be machinery inspite of the fact ~~xxxx~~ that some portions of it are found fixed in walls or imbedded in the ground. The moment I have found that this machinery is moveable and not immoveable property, it follows I have no jurisdiction to deal with the question of the compensation fixed by the Government. But to avoid delay in giving a final disposal to this dispute in case the machinery is held to be immoveable property in appeal, I consider it desirable to give my finding about the value of this machinery also on the assumption it is immoveable property.

23. On the question of the value of this machinery the evidence we have is that of E.W.1 on the side of the Government and C.Ws 1 and 4 on the side of the company. The amount awarded by the Government for the plant, machinery and some other moveables is Rs.43.129-6-0. The company itself estimated the plant ~~of~~ vid the machinery after deducting depreciation at Rs.42,625-14-0 as per Exhibit D-2 as on 31-3-1943; Exhibit D-2 is their balance sheet for 1942-43 and it shows that the company itself has valued the plant and machinery at Rs.40,429-12-0, tools and equipment at Rs.1802-6-0, scientific instruments at Rs. 393-12-0, dead stock at Rs.176-8-0, carts, cycles etc at Rs.155 and livestock at Rs.172. We are not now concerned with the dead stock, carts and cycles and livestock; the total of these items comes to Rs.503. Deducting this amount, the value of the plant and the machinery according to the balance sheet of the company (Exhibit D-2) is Rs.42,625-14-0. As already pointed out, the plant and machinery consist of basins, boilers, engines, centrifugal pumps etc. The value of the basins comes to Rs.35085-12-0 according to Exhibit D-2 as on 31-3-1943. This acquisition was made by the Government on 31-3-1943, though the requisition was on 16-3-1943. The Government have accepted the figure fixed by the

company in Exhibit D-2 and offered this amount of Rs.35085-12-0 as compensation for these basins. But the company wants more.

24. The important item of the machinery consists of 150 basins. In Exhibit P-6 the company has shown the value of thes basins as Rs.32,000 after deducting depreciation at 5 per cent per year. This figure appears to have been arrived at by the company on the material contained in Exhibit D-3 which is the prospectus of the company. In Exhibit D-3 36 basins got from Bangalore were valued at Rs.9000 while other 40 basins in the factory at Kollegal were valued at Rs.12750 giving a total of Rs.21,750 as the price of these 76 basins. 74 basins were purchased by the company after 1937 and these were valued at Rs.13020-15-0 in Exhibit D-13 and D-13(a); these are account books showing the price paid for basins purchased after the company was formed in 1937. It is common ground that there were 150 basins when the filature in question was acquired by the Government in 1943. The total value of these 150 comes to Rs.34770-15-0 according to Exhibit D-3. The company appears to have added to this an amount of Rs.3000 as representing the expenses incurred by the company for purchasing some parts and for erecting the machinery. This is how the company appears to have arrived at the figure mentioned in Exhibit P-6 as the price of these basins. This appears to be a reasonable estimate. In Exhibit D-13 also an amount of Rs.17762 is shown as having been spent for the new basins and for some new machinery and towards the costs of machinery erection. If this amount is added to Rs.21750, it gives us a total of Rs.39512. This again corresponds more or less to the figure contained in Exhibit D-8(c). All this shows that the company's estimate of the machinery in exhibit D-2 is correct and that it is in accordance with their accounts.

25. Exhibit D-11 is the Minutes Book of the company while Exhibit D-13(a) is the ledger. Exhibit D-3 refers to 76 old basins, while Exhibit D-13(a) refers to 74 secondhand basins. The 36 basins valued at Rs.9000 in Exhibit D-3 work out at Rs.250 per basin, while the 40 basins valued at Rs.12750 in Exhibit D-3 work out at Rs.318-12-0 per basin. 74 basins were purchased at Rs.174 per basin as per Exhibit D-13(a). It follows from this that the value of these basins according to the accounts of the company varies between Rs.178 and 318 each. According to R.W.1 all the basins were in bad condition. He says

that he used his technical knowledge and experience in putting them in order. C.W.3's evidence is that only 100 basins were working at the time of this acquisition, while C.W.4 has stated in Exhibit P-14 that 50 basins were not working. It is clear from Exhibit P-16 series that the number of basins which were working at the time of this acquisition varied between 50 and 100. In Exhibit D-3 it was mentioned that the factory was not working before 1937.

26. Now, what is the value of this kind of old machinery? In the case of lands no question of depreciation arises. In the case of buildings, their market value on the date of acquisition is ascertained and then depreciattion is worked out at a rate ranging from 2½ per cent upto 10 per cent per year making the calculation backwards. In other words, in the case of buildings the present market value is fixed and then depreciation is allowed. This method of calculation cannot obviously be applied in the case of machinery. In valuing machinery of this kind, the method to be adopted is to ascertain the price paid for it when it was purchased and not its market value on the date of its acquisition and then deduct towards depreciation at the rate of 5 per cent to 10 per cent per year. This is the method adopted by the company itself in valuing the machinery in their balance sheets Exhibits D-1, D-2 and D-10. Even in Exhibit P-8 (Exhibit P-9(c) is its copy), the company itself has valued the machinery in this way, and the Government have accepted this value. But the company now wants the method adopted in fixing the price of buildings to be adopted in arriving at the price of this machinery. Having adopted the method referred to above in fixing the price of the machinery all these years, it is not open to the company now to ask the Government to adopt a different method, apart from the fact that even if the method now proposed by the company is adopted the position does not improve for the company. The reason for the demand now made by the company that this machinery in question should be valued in the same way in which buildings are valued is that this machinery is also immoveable property. I have already given my finding that it is not immoveable property. Even if it is considered immoveable property for purposes of Registration Act or for some other statutory purpose, there is no justification for allowing the same method of valuation in the case of buildings and machinery, seeing that

machinery gets deteriorated sooner than the buildings, apart from the fact that the same method is adopted for this machinery, its value would be far below the amount awarded by the Government.

27. The evidence of R.W.1 is that these basins are about 30 years old. C.W.1's evidence is that he supplied 76 basins from D'Silva in 1926. If the 76 basins referred to above out of the 150 basins were these 76 basins, then it follows that they were 17 years old in 1943. Mr. Ramayya's evidence is that these very basins are there now among the basins acquired. The 74 basins purchased after 1937 were either old ones or basins constructed with old materials. R.W.1's opinion is that these basins also looked 30 years old. I find no grounds for not accepting his on this point. Even if we adopt the same standard as the standrad applied in valuing buildings and even if we take Rs.440 as the market price of a basin on the date of this acquisition, the company would not be entitled to more than what the Government have offered after allowing depreciation for this period of thirty years. It is pointed out for the company that the Government have paid for basins for their new silk filature in 1943 at the rate of Rs.440/- per basin and that they have spent another Rs.25/- for fittings for each basin. The company forgets that the Government had to pay this price on account of their urgent need for war requirements and that this price cannot be taken as the normal market price of these basins in 1943. It should also be remembered that the basins purchased by the Government were (new ones, while these 150 basins acquired by the Government were) old and worn out ones on the date of their acquisition.

28. C.W.1 is an Engineer and a dealer in machinery and he has been examined to prove the value of this machinery on the side of the company. His evidence is that if the machinery is valued in open market as so many pieces of machinery, the value it can fetch is different from the value one can expect for it when it is offered with the buildings as a working concern to persons who are interested in working the filature. Exhibit P-4 is his report showing what one can expect to realise by selling the machinery as such in open market. His estimate on this basis is Rs.73227. Exhibit P-4 shows that if sold to those engaged in silk industry, the machinery may be expected to fetch a better price. Exhibit P-5 shows what the machinery can be expected to

fetch if sold to persons interested in silk trade. In Exhibit P-5, C.W.1 has classified the machinery as moveable and immoveable. He has treated the machinery fixed in the ground by means of foundation and bolts or fixed in the walls as immoveable and also parts attached to this kind of machinery as immoveable. He has treated these portions of the machinery as immoveable. In item 10 in part I of Exhibit P-5, he has shown 52 reeling basins as one unit. This includes cocoon basins, reeling basins and winding mechanism. Items 11,12 and 13 of part I of Exhibit P-5 also include cocoon basins, reeling basins and winding mechanism. C.W.1 explains that the units mentioned in Item 10 and 11 in part I of Exhibit P-5 are of Italian make while item 12 relates to things manufactured at Pondicherry; item 13 relates to things made at Bangalore. C.W.1's evidence is that the Italian unit is better in quality than the Pondicherry or Bangalore units referred to above. The wear and tear in the Italian machine is very little according to him. He says that the basins prepared at Pondicherry and Bangalore are only an imitation of the Italian basins and that they are not so good as Italian ones. The cocoon and reeling basins in items 10,11 and 12 are copper while those in item 13 are of stone or cement concrete. The tables in items 10,11 and 12 are made of cast iron whil those in item 13 are Made of cement concrete. C.W.1 says that he supplied 76 basins to D'silva about 18 years ago for about Rs.700. He makes it clear that these 76 basins are part of the 150 basins under acquisition. In his report Exhibit P-4,C.W.1 has shown 40 basins at the rate of Rs.500 each, 36 basins at the rate of Rs.450/- each, 15 basins at Rs.300 each and 59 basins at Rs.250 each. His explanation is that these prices are prices which he thought any one would be prepared to pay for the machinery in the market as a going concern. He thinks that the price which this machinery as part of a going concern would fetch depends upon the need and anxiety of the person who wants to buy it and that in such a case the price of the concern including the machinery reduces itself into a question of supply and demand and the anxiety of the intending buyer to have the concern. He has stated:-

"The value given by me in Exhibit P-4 is my estimate as an expert on the value of the machinery as such. The value given by me in Exhibit P-5 represents my opinion as to what a person who is interested in purchasing the concern [illegible] interested in

> as part of the concern as a going business concern and it is [illegible] my opinion as a businessman. I would like to add that the price given by me in Exhibit P-5 is the price which I think a person interested in the silk industry may be expected to pay for the machinery for the purpose of his industry taking into consideration what it would cost him to get or make this machinery in India. A person anxious to buy the machinery in question as part of a going concern may be prepared to pay even more than the price mentioned by me in Exhibit P-5".

His estimate of these 150 basins in Exhibit P-4 is Rs.55450 according and they are worth Rs.75250 according to his 2nd report in Exhibit P-5. He makes it clear that he did not take into consideration the original price of these basins and that he did not allow any depreciation; he has estimated these according to his conception of their market value on the date of his reports.

29. Referring to the reeling basins in items 10 to 13 in his report Exhibit P-5, C.W.1 says that they have jetti-bouts system as distinct from the Japanese system known as porcelain button system. According to him, jetti-bouts are made of brass and a set of four jetti-bouts used to cost about Rs.150 and that these are not available, now. He explains that with jetti bouts system it is easier to reel silk even for persons with little training and that the silk produced is of better quality while it requires more skill and more experienced persons to reel silk under the porcelain button system. His evidence is that reeling basins supplied with jetti-bouts are therefore costlier. The prices given by him in Exhibits P-4 and P-5 in items 10 to 13 are prices of units of basins including water pipe and steam pipe connections which are necessary for reeling silk and they are based upon the assumption that these basins basins had jetti-bouts system on the date of their acquisition.

30. At this stage it may be convenient to refer to the evidence of R.W.1 on this point. His evidence is as follows:-

> "I took charge of the Kollegal Silk Filatures Ltd with its machinery and other materials on 16-3-1943.....when I took it over I found the filature in every poor condition in respect of the machinery there and the stock available. I found the stock of cocoons at 1250 lbs and it was sufficient for just ½ day work for the Filature. The stock of fuel I found was about 3 tons and it was just sufficient to work the Filature for one day. As regards the machinery I found that the Boiler capacity was not sufficient to work more than 1 basins and therefore we had to arrange to have a boiler from the Government until we could buy a new one. It can be definitely stated that none of the basins were in working order. The basins in that filature can be roughly put into 2 different lots-one lot consisting of 76 basins composed entirely of imported machinery the other lot consisting of 74 basins made either locally or made up of partly local and partly of foreign parts. Out of the 76 Italian basins, 66 were originally fitted with jette-bouts arrangement and mechanical brushes; all these basins were manufa[illegible]

by Battglia, Italy. The main value of these basins lies in the value of the jette-beuts and the mechanical brush arrangements. It was found on taking over these basins that due to age and lack of care the whole of the jetti-beuts apparatus had been worn out and put out of commission some years ago. As for the mechanical brushes these had been entirely removed from the basins and thrown into the stores, most of these being either incomplete or broken. A number of other small fittings such as tavelette holders, glass guides etc were found to be missing. With the jetti-beuts and the mechanical brushes out of action, these basins which were, when new were of quite valuable type had become just ordinary reeling basins. As regards the other 74 basins which were of local and mixed manufacture matters were still worse. Some sort of jette-beuts apparatus was intended to be fitted to these basins but these were never completed. A number of reels were found to be missing, about 37 of these were found to be missing. No water pipes were fitted on 37 basins. The main steam-fed pipe to these 37 basins was found to be totally inadequate in size to carry steam for these basins. Here too, all small fittings were found missing. Before the Filature could be worked to its full capacity of 150 basins the Government had to put right the most essential working parts. As a matter of fact a certain number of Indian made basins had never been worked due evidently to their not having been complete".

It is clear from the ~~evidence~~ that the basins were without jetti-beuts apparatus when R.W.1 took charge while C.W.1's estimate was made upon the basis they had this apparatus. According to both it is this jetti-beuts apparatus that gives these basins real quality. The ~~construction~~ condition of the basins as C.W.2 noticed it was the result of the work of R.W.1 and the improvements made by him and therefore no importance can be attached to the values given by C.W.2 for purposes of this enquiry. Mr. Pechaud's report about the value of these basins is Exhibit D-4. In this report he has grouped the Italian basins handed over to him by the company into two lots - one lot consisting of 40 basins which he has valued at Rs.160 each, another lot of 36 basins which he has valued at Rs.125/-each. As regards the 74 basins composing of Indian made and mixed material, Mr. Pechaud has valued them at Rs.87-8-0 per basin. His opinion is that if it had not been for war purposes none would have purchased these basins described above. The reason given by him is that any prospective buyer would naturally take care to see that these 150 basins are in working order before purchasing them. He found when he took charge that these 150 basins could not work. He points out from his experience that the largest silk filatures are in Kashmir and that they were all once under his charge. His evidence is that none connected with silk industry would have paid for the machinery in question more than the compensation now offered by the Government whether the machinery was sold as a plant or in parts. He points out that this machinery was not complete and

that the company never worked all the 150 basins as a complete set. visited this company between May 1942 and March 1943 a number of times. During this period he found that sometimes only 40 basins were working and sometimes 50 and sometimes 60 and that about 106 basins were worked for about four days and that on Mondays the filature did not work at all. R.W.1 is a private person who was engaged by the company for its own purposes and he is likely to be feeling himself under an obligation to the company. But the same cannot be said of R.W.1. In view of his responsible position as Deputy Director of Textiles in the Central Government, R.W.1 cannot be said to be interested in helping the Government to the detriment of the company. According to the estimate of R.W the price of these 150 basins comes to Rs.17375. According to the resolution of the company as per Exhibit P-6 these basins were worth Rs.32,000 after deducting depreciation at the rate of 5 per cent per year for four years. The Government have offered Rs.35,085 for these basins. Whether we look at the question from the point of view of the company's estimate or from the evidence of R.W.1, this amount of Rs.35,000 offered by Government cannot be said to be inadequate or unreasonable. R.W.1's evidence further shows that after he took charge of this filature the essential parts he had to buy were a boiler, steam pipes and water pipes for 36 basins and the necessary steam valves and water cocks and the necessary fittings. He says that about 34 or 37 new reels had to be purchased. Mr. Achayya examined on the side of the claimant says that he reported in Exhibit D-8 that any amount spent for making the equipment complete for the full set of 150 basins should be deducted out of the compensation, to be paid to the company.

31. This confirms R.W.1's evidence that the full set of 150 basins was not in working condition when it was acquired. This would make all the difference for the value of these basins in open market. It is true Mr. Achayya now says that nothing was incomplete when he took charge. But his report in Exhibit D-8 proves the other way and it corroborates R.W.1 on this point. On the material referred to above I hold that the amount offered by the Government for these basins is a fair and reasonable compensation.

32. The next item for consideration consists of boilers and steam engine. R.W.1's evidence is that these were in bad condition when he

took them over. He purchased a boiler for Rs.2450 in 1943 with which he was able to work 128 basins while these two boilers belonging to the company could not work more than 106 basins. C.W.1's estimate of these boilers and the steam engine is Rs.3500 and Rs.3300 and Rs.200 as per Exhibit P-4. In Exhibit D-4, the Government have fixed the value of these two boilers and the engine at Rs.3364; exhibit D-4 is the Government's valuation of this machinery other than the basins. Deducting Rs.200 for the steam engine, the compensation offered by the Government for these boilers comes to Rs.3164. R.W.1 says that these boilers were not working as they were not in a good condition. He points out that the larger boiler had 4 tubes blind flanged and that those 4 tubes had to be replaced at a cost of Rs.160 per tube. He further states that its ~~[illegible]~~ fed pumps were not in order and that one had to be sent to Madras for being rebuilt. As regards the oil engine, he points out that it was in a poor condition when he took it over and that he had to change its bearings. He states that some parts including the governor were found missing and that the governor of a steam engine is not available in India and that he had to work the engine without it; the governor regulates the speed. Against this we have the evidence of C.W.1 examined on the side of the company as a private expert. Even his evidence shows that these boilers were old and that in one of these he found two tubes leaky. He says he cannot give the age of these boilers and yet he would proceed to value them. It cannot be said that his evidence about the value of these boilers is conclusive. Having regard to the fact that they were in a poor condition according to both R.W.1 and C.W.1, I have no material to hold that the compensation offered by the Government for these boilers is unreasonable or inadequate. As regards the steam engine I find no grounds for not believing the evidence of R.W.1 when he says that it was without the governor and that its bearings were worn out and that they had to be replaced. C.W.1 has valued this engine at Rs.200 in his first reports (Exhibit P-4), while he has valued it at Rs.500 in Exhibit P-5. I find no grounds for accepting his second report on this point in preference to his first report. (Steam engine is Rs 200, while the Value of the) I hold that the value of the boilers is not shown to be more than Rs.3164 offered by the Government.

33. The next item for consideration consists of two oil engines and centrifugal pumps and these have been valued at Rs.200 and Rs.150 and Rs.220 by C.W.1 in Exhibit P-4, while the Government have valued these

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Reply. 6 D.I

To 103708

The Secretary to Government,
" " ;
Development Deptt.
Madras.

I have called for the remarks of the Soil Chemical Expert and shall submit my final reply on hearing from him. He is being reminded.

DLV

MR 15-11-49

Typed by [illegible]
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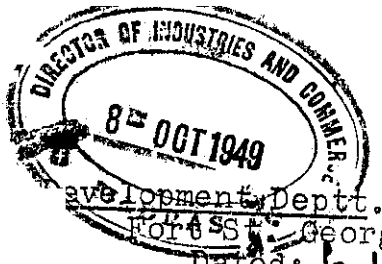
for Director of Industries & Commerce.

MR. 17.10.



P 2

REMINDER.

Dated: 6.10.-49.

To Director of Industries and Commerce Madras

I am directed to invite attention to Govt. Memo 8 & 176 Dir. dated 17-9-49 and to request that this reminder may be returned at once with information as to the date by which a reply may be expected.

for ASST. SECY. TO GOVT.

SUBJECT.

Industries & Stf, Kollegal
Sericulture — Progress of Gu

at Rs.625 which is more than the estimate given by C.W.1. There is thus no dispute about the price offered for these items.

34. In Exhibit P-5, C.W.1 has valued the pipes covered by items 4,5 and 21 to 25 of Exhibit P-4 at Rs.3455-8-0 plus Rs.40 plus Rs.35. C.W.1's evidence is the only direct evidence on this point.

35. No estimate on the side of the Government for these items has been placed before me and therefore I accept C.W.1's estimate as correct

36. C.W.1 has estimated the cost of the erection of the machinery with foundation at Rs.4500. Having regard to the rise in cost of labour at the time of this acquisition and seeing that there is no other direct evidence on this point, I accept C.W.1's evidence in respect of this item and hold that his estimate of Rs.4500 is fair and proper.

37. On behalf of the company, a memo was filed in the middle of thi enquiry claiming compensation for loss of earnings. No such claim was made in the company's statement filed under section 19 of the Defence of India Rules. It follows from this that the amount mentioned by the Company in its statement under section 19 included every thing they were entitled to and it should be deemed to have included this claim also even if they are entitled to such a claim. There is no reference to thi claim in the company's statement filed into Court on 23-2-1944, nor in their statement dated 26-4-1944. As a matter of fact, a memo was filed on 26-6-1944 that the question of loss of earnings need not be gone into The learned Government pleader acting upon this memo did not think it necessary to put questions to witnesses on this point Under these circumstances I hold that the petitioners are not entitled to make any claim on the ground of loss of earnings. They must be deemed to have included this claim in the amount claimed by them in their statement referred to above and they must also be deemed to have abandoned their right to raise any such claim on account of the memorandum referred to above. Moreover, this question of earnings may arise as a basis for arriving at a capitalised value of the concern if such a basis is otherwise allowed under rules and I am unable to see how as an arbitrator appointed to fix the value of the property acquired, I can go into this question and include any amount on this account in the compensation for the property acquired, even if the company had lost any earnings.

38. Even on merits, the company is not entitled to any relief on the ground of loss of earnings because the company has always been losi

and it has lost nothing by this acquisition. It appears to have been always mismanaged. The last balance sheet of the company is Exhibit D-1 and it shows a loss of Rs.9655-666. The accounts of the company show that the factory was not earning any profits between 1910 and 1943. Even while working this machinery for war requirements under a contract with the Government, those in charge of the company were found incompetent to run it and the company sustained loss even then. When this was represented to the Government, this loss was made good as a matter of grace by the Government and the company was paid about Rs.30000 in 1943 after this enquiry began. By no stretch of imagination can this amount be allowed to be treated as profits earned by the company in 1943.

39. In their statement under Section 19 of Defence of India Rules, the company claimed Rs.1,27,018-15-0. The amount offered by the Government is Rs.72,694-13-0 in respect of the buildings and the machinery. The difference between the claim made by the company and the amount offered by the Government for these two items is Rs.54,323-2-0. So far as the buildings are concerned, the amount claimed is Rs.53,791-12-0 while the amount offered and deposited by the Government is Rs.29566-7-0 The dispute between the company and the Government with regard to the value of the buildings is for Rs.24,225-5-0. Is the company entitled to this extra amount so far as those buildings are concerned? My finding is that they are not. If the machinery is considered immoveable property, what is the amount the company is entitled to over and above the amount offered by the Government?

40. My findings are that the amount offered by the Government for basins is fair and adequate and therefore the company is not entitled to claim more in respect of this item. As regards the boilers and the oil engine my finding is that the company is not entitled to claim more than what has already been offered by the Government and that the amount offered by the Government is fair and adequate. As regards the amounts claimed for items 4 and 5 and 21 to 25 in Exhibit P-5, their price is Rs.3455-8-0 as already found by me. These have not been separately valued by the Government in Exhibit P-4 nor is there any evidence about these items apart from the evidence of C.W.1 which shows that these are worth Rs.3455-8-0. As regards the stifling chamber, the company has valued it at Rs.500 in Exhibit P-4 and the Government Pleader

has accepted this price. I find no reason for accepting the enahanced price of Rs.500 given in the subsequent report of C.W.1. As I have already pointed out, items 17 to 20 in Exhibit P-5 are not claimed as immoveable property before me and therefore no question of their price arises before me. The next important item is about Rs.4500. My finding is that the company would be entitled to this amount as part of compensa tion for the machinery acquired if the machinery should be treated as immoveable property.

41. In view of my finding that the machinery is not immoveable prope my finding is that the company is not entitled to any relief at my hands so far as the machinery is concerned. So far as the buildings are concern ed my finding is that the compensation offered and deposited by the Government and actually taken away by the company is fair, reasonable and adequate.

42. Next comes the question of costs. As the dispute raised by the company covers an amount of Rs.54,323-2-0 for the buildings and the machinery and since the company is failing completely before me, I direct that the company should pay full costs with pleader's fee on this amount at 4 per cent subject to the rules on the subject.

Pronounced ~~in open Court~~, this 22nd day of September 1945.

(District Judge)
Arbitrator

SV/28-9.

LIST OF EXHIBITS FILED:-

For Claimant:-

P-1/12-3-1943. Notification issued by the Government of Madras Re:Requi sition of the properties belonging to the Kollegal Silk Filatures Ltd.

P-2/30-3-1943. Notification issued by the Government of Madras,Re: Acqu sition of the properties requisitioned already.

P-3/29-12-1943. Valuation report of the buildings of the Kollegal Silk Filatures Ltd, by Mr.G.S. Gangadharan,B.E,Engineer and contractor, Bangalore.

P-4/27-1-1944. Valuation papers of the machinery etc. relating to the Kollegal Silk Filatures Ltd.,by Mr.M. Ramiah, Engineer and Machinery Importer, Bangalore City.

P-5/22-4-1944. Valuation papers of Inventories at the Kollegal Silk Filatures Ltd.,immoveables and moveables by Mr.M.Ramiah

P-5(a)/20-4-44. Letter by the Manager Kollegal Silk Filatures Ltd.,) Mr. M. Ramiah.

P-5(b)/22-4-44. Reply by Mr.M. Ramiah to Messrs.Kollegal Silk Filature Limited.

P-6/5-6-1943. Copy of memorandum of the Board of Directors of the Kollegal Silk Filatures Limited.

P-7/20-4-1943. Memorandum of agreement between His Excellency the Governor of Madras and the South Indian Metal Company.

P-8/20-4-1942. Acceptance of Tender by the Director-General of Supply Government of India to Messrs.Kollegal Silk Filatures Ltd

P-8(a)/12-7-43. Amendment to the acceptance of Tender.

P-9/16-3-1943. Receipt by Mr. Achaya for properties taken over as Sericultural Expert with the Government of Madras, Kollegal

P-10/11-1-1942. Letter from Mr.K.T.Achayya to Mr.Silva from New Delhi.

P-11/4-3-1942. Letter from Mr.K.T. Achayya to Deputy General of Supply Textiles Directorate to Sericultural Expert, Kollegal.

P-12/31-3-1942. Copy of letter from Director General of Supply, Textile Directorate to Sericultural Expert, Kollegal.

P-13/20-9-1942. Letter from Do. Do. (Copy)

P-14/20-11-1942. Copy of letter to the Director General of Supply Textiles Directorate New Delhi from Mr.K.T. Achayya.

P-15/20-2-1943. Letter from Sri K.T. Ganesa Ayyar, Managing Director, the Kollegal Silk Filatures to the Director-General of Supplies, Textile Directorate.

P-15(a)/1-3-43. Letter from Do. to Do.

P-15(b)/8-6-44. Letter from Directorate General Supply Chief Controller of Purchase, Readjustment of prices of silk from April 1942 to March 1943.

P-16/ Silk production account book of the Kollegal Silk Filatures Limited.

P-16(a) Do. Do.

P-16(b) Do. Do.

P-16(c) Do. Do.

P-17/25-8-1942. Articles of agreement between the Government and Messrs. Parthasarathy and Gangadharan.

P-17(a) Statement of Expenditure incurred in construction of buildings, Government Silk Filatures Kollegal.

For Respondent (Government):-

D-1/15-2-1943. Balance sheet as on 30th June 1942 of the Kollegal Silk Filatures Limited.

D-2/2-12-1943. Balance sheet as on 30th June 1943 of Do.

D-3/12-11-1937. Printed copy of prospectus of the Kollegal Silk Filatures Limited.

D-4/5-5-1943. Valuation of the reeling machinery installed at the Kollegal Silk Filatures Limited, Kollegal.

D-5 Cash Book of the Kollegal Silk Filatures Limited.

D-5(a) Extract of the Cash Book of Do.

D-6/7-5-1943.	Report of the Executive Engineer with the valuation of the immoveable properties of the Kollegal Silk Filatures Limited.
D-7/2-5-1943.	Valuation of estimate of the immoveables of the Kollegal Silk Filatures Ltd by the Executive Engineer to the Director of Industries and Commerce, Madras.
D-8/25-11-1942.	Report by Mr.K.T. Achayya to the Director of Industries and Commerce in reply to a D.O.
D-9/12-3-1943.	Letter by the Managing Director Kollegal Silk Filatures Ltd to the Director of Industries and Commerce, Madras.
D-9/13-3-1943. (a)	Acknowledgment of receipt of Government Order dated 12-3-1943 requisitioning the Kollegal Silk Filatures Ltd.
D-9(b)/5-6-1943.	Letter by Dewan Bahadur T. Ragaviah to Mr. Khaleel.
D-9(c).	Copy of memorandum of the Board of Directors of the Silk Filatures enclosed with Ex.D-9(b)
D-9(d)/6-7-1943.	Letter by Director of Industries and Commerce, Madras to the Chairman, Board of Directors, Kollegal Silk Filatures Company Limited.
D-9(e)/10-7-43.	Proceedings of the meeting of the Board of Directors, Kollegal Silk Filatures Limited.
D-9(f)	Memorandum No.7784-D1/439, dated 2-7-43 of the Development Department, Government of Madras - Sanction of compensation of Rs.43129-6-0 to Kollegal Silk Filatures Limited.
D-10/2-11-1941.	Balance sheet of the Kollegal Silk Filatures Ltd as it stood on 30-6-1941.
D-10(a)/9-5-39.	Balance sheet of Do. as on 30-4-1939.
D-10(b)/1-6-40.	Balance sheet of Do. as it stood on 30-4-1940.
D-11.	Minutes Book of the Kollegal Silk Filatures Ltd., from 11-11-1937 to 10-7-1942.
D-12	Cash Book of Kollegal Silk Filatures Ltd. from 1-5-1939 to 31-5-1942.
D-12(a).	Day book of Expenditure from 1-5-39 to 5-6-1942.
D-12(b)	Day ~~of~~ book of receipts and expenditure from 1-7-42 to 13-3-1943.
D-13	Ledger (Expenditure Ledger from December 1937 to April 1939.)
D-13(a)	Summary Ledger from November 1937 to April 1939.
D-13(b)	Summary ledger for 1941-42.
D-13(c)	Ledger from July 1942.

LIST OF WITNESSES-EXAMINED:-

For Claimant:-

1. Mr. M. Ramiah.
2. Mr. Gangadharan.
3. Mr. Ganesa Ayyar.
4. Mr.K.T. Achayya.

For Respondent (Government)

1. Mr. R. Peychaud.
2. Puttu Mada.
3. V. Ratnaswami Pandian.

(District Judge)
(Arbitrator)

SV/28-9.

In the Court of Dist.Judge,Coimbatore

O.P.No.17 of 44. C.C.No.2 of 44.

FAIR JUDGMENT.

22-9-1945.

Dev. Delh

L issue and docket
Thr 23/11/45

Sub: War. D.o.D. Rule - Acquisition of immovable and immovable properties of Kollegal Silk Filatures Ltd. - Payment of Compensation - Arbitration Proceedings - Award and decretal order of arbitrator - Recorded

✓ pp 47-48 cf (c) Read again: G.o. no. ✓2436 HS Dev d 30.9.43

Read also: Rao Sahib From Sri C. Satyanarayana Chowdari B.A.B.L. Arbitrator (Dt. Judge), Award ✓d 22.9.45 and decretal order d 26.10.45

✓ pp 105-127 cf.

pp 97-101 cf

Order no. 4658 HS Dev d 23.11.45

Recorded.

2. The D.D & C. is requested to take steps to recover the ~~amount~~ sum of Rs 1752-6-0 (Rupees one thousand, seven hundred and fifty two and annas six only)

in pp 99 cf.

from the Kollegal Silk Filatures Ltd together with interest on Rs 129/8/-
accruing thereon in pursuance of the award and decree in O.S. No. [illegible]
1/11/45 order of the Arbitrator and to deposit the amount in
the Court as early as possible.

21.11.45

24/11/45

To The D.J. & S.J. Kollegal through Sri A.G. Krishna Iyengar Bangalore

Copy to Kollegal Silk Filatures Ltd

Copy of D.F. called for added 6.5.46

C.B. entry against 1-2-46 made for deposit of D.D. Rs. (C.B. entry No. 60 dt. 8.12.45)

Dev Dept

pl. issue
8/2/46

D/46-1

Memo no. 9092 ~~Hs Dev~~ d 8.2.46

Sub: War – D.o.I. rules – Acquisition of properties of Kilpest Silk Filatures Ltd. – Payment of Compensation Arbitration Proceedings – Recovery of costs

Ref: Govt. Hs 4658 Dev dl 23.11.45

The D. I & C. is requested to state whether steps have been taken ~~not~~ in accordance with para 2 of the G.O. cited, to recover the sum of Rs 1752-6-0 from the Kilpest Silk Filatures Ltd. together with interest thereon and if so, with what results.

7/2/46

To The D. I & C.

7/2/46

To 2-5.

A call book entry was made against 1.2.46 for remind the D. I & C. A draft memo to the D. I & C is submitted

7/2/46

C.F. 32 (a).

INDUSTRIES ~~& COMMERCE~~ DEPARTMENT

In reply, please quote number, date and short title.*

Received ..... *Registered* .....

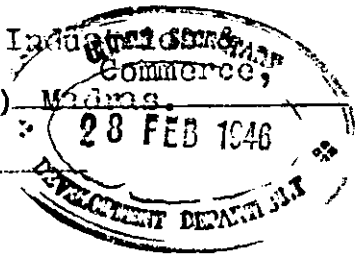
15283 D/

From (Name) A.KHALEELI Esq,I.C.S.,

(Designation) Director of Industries and Commerce,

Post Box Chepauk, (STATION) Madras.

Telegraphic Address .....



To

The Secretary to Government,
Development Department, Madras.

No. 2160.D/42, *dated* 25-2- *1946*,

Sir,

Sub: War-Defence of India Rules - Acquisition of properties of Kollegal Silk Filatures Ltd, - Payment of Compensation - Arbitration proceedings - Recovery of costs-

Ref: Government Memo No.9092.D/46-1 Dev. dated 8-2-46.

ENCLOSURES.....

SPARE COPIES.....

The Manager, Kollegal Silk Filature, Kollegal has addressed the Government Pleader, Coimbatore to take necessary steps to recover from the Kollegal Silk Filature Ltd., the sum of Rs.1752-6-0 together with the interest accruing thereon in pursuance of the award and decretal order of the Arbitrator. I shall submit a further report on receipt of the Government Pleader's reply.

27.2.46

for Director of Industries and Commerce.

S.B/26-2

To 2-5.

Dev Dept

The D. of I. & C. may be reminded next ~~on 20-3-46 on the further if necessary~~ after three months in view of the fact that legal steps are contemplated for the recovery of the amount from

28/2/46

P.S.

~~AF~~ 136

the C.J. + Call Book early aquisit 1.6.46 may be
made for the purpose of re rights ~~[illegible]~~. added to T.P. at ①

for aides

28 Dec 46

C. Bentzen
637 d 28-2-46
made aquisit
1.6.46

Closed

137

Industries & Co[illegible] Department.

From
A.Khaleeli Esq., I.C.S.,
Director of Industries
and Commerce,
Chepauk, Madras.

To
The Secretary to Government
Development Department,
Madras.

UNDER SECRETARY
1946
DEVELOPMENT DEPARTMENT

No. 2160 D/42 dated 9 October 1946

Sir,

Sub: Defence of India Rules - Acquisition of Properties of the Kollegal Silk Filature Ltd, Payment of Compensation - Arbitration proceedings - Recovery of cost.

Ref: Government Memo No.8092 D/46-1 Develop[illegible] dated 8-2-46

I enclose a copy of letter dated 18-3-46 from the Government Pleader Coimbatore to the Collector of Coimbatore. It will be seen therefrom that the decree amounts of R. 1752-6-0 in o.s.2/44 and R. 2252-10-0 in o.s.2/45 have been recovered from the Kollegal Silk Filature Ltd and credited to the Government account.

9.X.46

S.J/7-10

for Director of Industries & Commerce

Dev Dept

TO VS

The report of the Govt Pleader at P 2 below may be perused. May be lodged and acknowledged with original of GO No 4658 dt 23.11.45 on its return from Court

12/10/46

Copy of letter dated 12-6-46 from the Government Pleader, Coimbatore to the Collector of Coimbatore.

Sub: Collegal Silk Filatures Suit O.S. No.2/46 District Court.
Ref: Your No.1252-44.A.3

1. There were two proceedings, in which costs were awarded against Collegal Silk Filatures Company limited. In O.S.No.2/46 District Court the decree for costs was for Rs. 2214-8-0

2. A. Petition was filed in E.P.No.6/46 in O.S.2/46 and the properties of the Company were attached. The decree amount of Rs. 2212-8-0 together with Rs. 27-12-0 being vakil's fee on the execution side, and Rs. 17-4-0 the other expenses incurred in E.P.No. 6/46 together with Rs. 1-8-0 being the cost of the decree copy making a total of Rs. 2258-10-0 was collected. The sum of Rs. 27-12-0 represents the realisation made for the execution on the amount realised. The decree amount was obtained only after execution of the decree and not before.

3. An order for costs was passed against the Company in C.C.No.2 of 1944. The above said sum amounting to Rs.1752-6-0 was also realised and credited to the account of the Government. No legal proceedings were taken in the case (C.C.2/44).

4. Hence the two sums of Rs. 2258-10-0 and Rs. 1752-6-0 are amounts realised in two different proceedings.

Dev. Dept
Vi Section

Extract from the C.B. entry from the Register of D...

Serial No. — 686

Date of Entry in the Register — 27.7.46

Subject — War - D.O. - Requisition of properties of K.S.P. Ltd., Kollegal - Payment of emplisations - Arbitration Proceedings

Our current No. — 35913 DI/46

No. & date of Government order etc., authorising the entry. — Ledger No. ~~94~~ 35913 DI/46 dt 20.7.

Date when further action is to be taken — 1-12-46

No. & date of new current —

92424

UNDER SECRETARY
2 DEC 1946
DEVELOPMENT DEPARTMENT

(V)

A.

Dear Sirs,

Please see the D.I.'s letter dated 137 of ①. The no. of costs allowed in arbitration proceedings have been realised & credited by you. No action is therefore required by us.

Enclosed: ① as stated & added by us

Yours faithfully,

Office of the Director of Industries an
Commerce, Madras dated 31-10-1947.

14

106239

Post Copy of Telephonic Message dated 31-10-47 from the Joint Director of Industri and Commerce, Madras to the Secretary to Government, Development Department, Madras

Sub: Suits - Kollegal Silk Filature - Acquisition of properties by Government Decree in O.P.No.17/44 (c.c.2 of 44) of the District Court, Coimbatore - Appeal.

Ref: G.O.No.4958 Development dated 22-10-47

A copy of the Judgement of the District Judge, Coimbatore (containing 25 pages) in the above case was sent to Government with this Office letter No.D5.2160/42 dated 30-10-45. The decree order was alone returned to this office along with G.O.No. 4658 Development dated 23-11-45. As the judgment copy is required by the Government Pleader Madras for printing, I request that it may be returned to me urgently for communicati to him.

S.B/1-11

for Joint Director of Industries and Commerce

VF.

T. M

To The DR @

Subject – K. SF. – Acquisition of properties by Govt – Award of the Dt Judge Simla in O.P. No 17/44 (CC 2/44)

Ref: Your T.M of 31st October 1941

A copy of the award in O.P. No 17/44 (CC No 2/44) of the Dt Court, Simla is forwarding herewith the P.C. of this T.M.

Encl: as above.

Industries & Commerce Department 11.7171

Post copy of the Telephonic Message dated 26th Novr.47.

From The Director of Industries & Commerce, Chepauk, MADRAS:

TO The Secretary to Government, Development Department, Fort St. George, MADRAS:

Sir, Sub: Suits - Kollegal silk Filatures - Acquisition of properties - by Govt - Award of the District Court, Coimbatore.

Ref: Govt. Development Dept. Telephonic Message dated 5-11-47.

The copy of the award and the post copy of the Telephonic Message have not so far been received here. They may kindly be sent urgently.

V. Venkataraman
27.11.47

MS/27/11/- for Director of Industries & Commerce.

TO A.S.

DEV DEPT

The award referred to at A above has already been despatched to the D/Ie. No action is called for on this. May be lodged as added to (4)

Dev. Dept

Sub: War - D.O. 1 Rules - Acquisition of movable properties, Collegal Silk Weavers Ltd. - Payment of Compensation Arbitration proceedings.

Cov. 37695-B/43 p 9-10 cf

Ref from the Dise, D.O. No. 2160 B/42 dt 17.1.44

To Addl. A.S.

Please see the D.O. from the Dise at p 7 cf. p 9 cf. The idea in communicating the D.O. from the arbitrator to the Dise was that he should arrange to instruct the Govt Pleader, Coimbatore (~~Madras~~) to file the relevant records in the case on behalf of the Govt. The Dise wants that the local Govt Pleader should meet him at Madras to receive instructions. This involves the payment of T.A to the Govt Pleader. It is also

Sp

ascertained that there have been two similar cases, under the
Act in which the Govt. were arguing as it is - and in which unfavourable decisions were given
D.O.I must for orders Should the suggestion of the
Dist will be accepted. Rev, Home & Fin. may
perhaps see. for orders.

The D.O.J.C. may send all the Connected
papers to the Govt. Pleader, Coimbatore
with the necessary instructions and asked him
to do the needful in the matter

H. 1.44

[illegible]

The subject is technical and an average mofussil lawyer can hardly be expected to be familiar with cases of this kind. It is important that the P.P. should receive instructions personally from the D.I. & C. for a proper presentation of the Government case. It is false economy to save T.A. for, if the case is not presented properly we may quite conceivably have to foot a heavy compensation bill.

Rev
Home
Fin

Rev. Deptts.

To WS.

Please see the D. S. & C's D.o. at pp. 9-10 C.F. and Devt. Deptt. note at pp. 1-2 ante. In the circumstances stated by the Devt. Secy. at p. 2 ante this Deptt. may ~~would not perhaps object~~ have no objection to the proposal at 'A' on p. 9 C.F. [In cases of arbitration sanctioned by this Deptt. Govts. ~~Governors~~ are the requisitioning authorities and necessary instructions to file documents and adduce evidence on behalf of the Govt. are given to the Govt. Pleaders by Govts.]

The file may be passed on to Home.

GSR 419
SECRETARY TO GOVERNMENT
FEE
2965F
31-1-1944

Rev. dpt 29.1.44 — 28.1.44 — 28.1.44

Home (S) Deptt

This Deptt. may agree with the views of Develpt. Secretary at p. 2 ante. The file may be passed in this Finance Deptt.

ASSISTANT SECRETARY TO GOVERNMENT
31 JAN 1944
HOME DEPARTMENT

31/1/44 — 31.1.44

1/2/44

Please see Am'd 9 C.F. Fin (C&R) The views of Dev. Secretary may be concurred in and the case returned to Devt.

Home home 2965F.1 — 2.2.44

at page 2 above

3.2.44

Devt

To Addl A.S

Please see the notes of the Rev, Home & Jud. Depts at p 2 above.

A draft memo to the Cabinet of Cuttack is submitted for approval.

[Issued as Memo. 37635-D/43-7 d 4-2-44]

[From the B. of C., no. 2160-D/42 d 4-2-44]

To Addl. A.S

A on p 15 C: The Govt. ~~did not~~ requisitioned and acquired the buildings, equipment etc of the Kollegal Silk Weavers only and not the company as a going concern as it has been mistakenly presumed in the letter of the company at pp 15-16 C.

To Addl.A.S.:-

In the letter at pages 15-16 c.f, the following two points are raised for consideration-

(i) contention of the Kollegal Silk Filatures Ltd, that the order of the Govt. in requisitioning and acquiring the buildings and equipment of the Company under rule 75-A of the D.O.I rules is not in accordance with the rules; and

(ii) Arbitration proceedings instituted by the Govt. for fixing the compensation to be paid to the Company should be held up till the Company obtains legal opinion on the validity of the order of the Govt. regarding acquisition.

Item (i) above:- The Company was not acquired as a going concern as contended by the Board of the Company; only the buildings and equipment were acquired. The implications of sections 81 and 75-A of the D.O.I rules in this regard were fully gone into by the Legal Dept. and on their advice, it was decided to take action under rule 75-A of the rules for acquiring the immovable and movable properties of the Company without affecting the constituti

of the company. Some months have elapsed since the Govt. took over the properties and it was open to the Company to obtain legal opinion. No action seems called for, on the part of the Govt. till their order is set aside by a competent court of law.

Item (ii) on page 5 above: The action contemplated by the Company regarding point (i) above can be taken by it independently of the Arbitration proceedings. If the Court thinks fit to interfere with the course of the arbitration proceedings, it could, by a writ stay the proceedings. In fact, the Arbitrator himself can be requested by the Company to adjourn the sittings pending a decision on the validity of the order by a court. It was pointed out by this dept. that the question of adjudication of the amount of compensation may be left to be referred to an arbitrator by the Company; but Legal dept. suggested that the acquiring authority should take steps to determine the amount of compensation through arbitration proceedings in the event of no amicable agreement. The Arbitrator was accordingly appointed and the Govt. Pleader has

been asked to file the records before the Arbitrator. The Company has communicated a copy of its letter at pages 15-16 c.f to the Arbitrator also. As the question is already before the Arbitrator, it is for consideration whether ~~he~~ it may not be left to him to decide the need for adjourning the enquiry in the light of the representation of the Company. For orders whether the D.I.& C may be informed accordingly, with reference to his enquiry at A on page 15 c.f.

Legal may perhaps see the case for remarks.

6/2/44 S 8/2/44

Legal

U.O. 7D/44 dt 10.2.44

Legal dept

may be left to the Arbitrator to decide whether the enquiry shd be adjourned or not

9/2/44 S

DW

ASSISTANT SECRETARY TO GOVERNMENT
10 FEB 1944
DEVELOPMENT DEPARTMENT

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
37635 D/43-8
7.2.44
10 FEB 1944
DEVELOPMENT DEPARTMENT

ASSISTANT SECRETARY TO GOVERNMENT
8 FEB 944
LEGAL DEPARTMENT

Legal U.O. 9/8C-1
9.2.44.

8 [From the Dy Judge, Coimbatore No 953/44 d 7.2.44] Dev. Dept pp 17-14c

To Addl. A.S.- [Notes from pp 5-7 above may be read]

Please see legal note on p 7 above. Subject to orders, a draft D.o. to the D. of C. is submitted for approval.

10.2.44 With reg to the Arbitrators' letter at p 17 cg, a draft letter as D.o. is submitted for approval

10.2.44

Issued as D.o. No. 3763 SD/43-9 d 12.2.44

Ry may see D.K's letter at p 15 c f.

The draft D.o. to the D.K may issue.

12.2.44

~~Issued as Letter no. 3763 SD/43-9 d 12.2.44~~

[Issued as D.o. no. 3763 SD/43-9 d. 12.2.44] p 21 cf

Dw. Exhibit

J. Addl. A.S.

The draft letter below missed approval by Secy. for orders whether it may issue now

12.2.44 12.2.44

[Issued as Letter no. 37635-D/43-10 d. 14.2.44]

From the Chairman, Board of Directors, Kollegal Silk Filatures Ltd, letter dated the 16th March 1944.

To Addl. A.S.:-

The Kollegal Silk Filatures Ltd has represented again that the order of the Govt. of Madras acquiring the movable and immovable properties of the Company under rule 75 A of the Defence of India rules is not valid and has submitted a copy of the legal opinion on the subject of Sri. T.R. V. Sastri. The Chairman requests:-

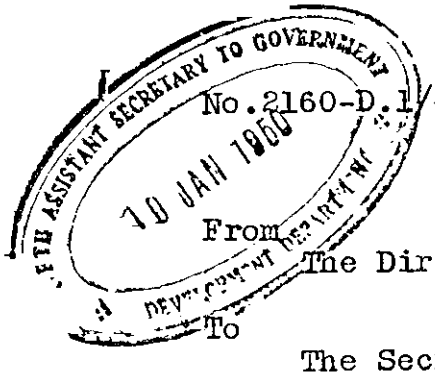
(i) that the order of acquisition be cancelled and the concern restored to the company on the cessation of the hostilities;

(ii) that the arbitration proceedings before the District Judge, Coimbatore be stayed as the question of compensation will not arise if their request above is conceded.

The Company wants that mesne profits should be paid to it for the period the Govt. keep the concern under their control and that the amount of compensation received by it under protest will be returned on a favourable decision by the Govt. on the above points. It has also added that such a step will obviate the necessity for the Board to have recourse to legal action on point (i) above.

2. Point (i) above: The company's contention is that the use of powers under rule 75 A is ultra vires and that if at all, the Govt. should have used only rule 81 of the D.O.I. rules. It has also stated that the action of the Govt. has affected the industry as such and

Memorandum 239



No.2160-D.1/49

Department of Industries & Commerce,
"Mackay's Gardens", Thousand Lights,
Cathedral P.O., Madras. 6.
Dated the 7th January 1950.

From The Director of Industries & Commerce,
Madras.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

Sir,

Sub:- Suits - C.C.2/44 and O.S.2/45 - Kollegal Silk Filatures,Ltd. - filed against acquisition of the Company by Government - Recovery of cost -

Ref:- G.O.No.4658, Development, dated the 23rd November 19

It was ordered in the G.O. cited that the sum of Rs.1,752/ being the cost ordered to be paid by the Kollegal Silk Filatur Ltd., as per decree in C.C.2/44 of the District Court, Coimbat should be recovered together with interest accruing thereon. Government Pleader, Coimbatore, had however recovered only Rs excluding the interest even though a copy of G.O.No.4658, Deve dated the 23rd November 1945 was communicated to him. The G ment Pleader, Coimbatore, was addressed in the matter and he ha stated that there was no order by the Court for the payment of interest and the Court had ordered only for the payment of Rs. He has further stated that courts only should interpret whether Govt. interest should be recovered or not and that the order wi not apply in such cases. The Accountant-General, however, in on obtaining the orders of Government for not recovering the int as ordered in the G.O. cited. I therefore request that Goverr may be pleased to approve the recovery of Rs.1,752/6/0 only with interest.

JGN.9/1/50

for Director of Industries & Commerce

VI

Memo. 2891 DI/50-2 dated 6-2-50.

Sub: Suits - C.C. 2/44 and C.S. 2/45 - Kollegal Filatures, Ltd - Filed against acquisition of the Company by govt - Recovery of Cost & interest - Orders amended.

Ref: GOMS. No 4658 dated 23-11-45
Letter from the DJ & C. No 2160-D/49

For the circumstances reported in DJ & C ~~the governor in Council desires~~ this letter cited ~~partial modification of the G.O. cited~~ the Governor of Madras directs that only ~~recovery~~ of Rs 1,752-6-0 should be recovered from the Kollegal Silk Filatures Ltd ~~be made~~ without ~~the~~

22/1/50 23.1.50.

6/2/50

To
The DJ & C,
The A.G. (Fin) Floor
T-Dist. (with copy of P. I cf)
I.S.F

Note Please see the letter from the D.J & C on f. On the circumstances reported by him the

roposal at A on p.c.f. Accts may be accepted
t memo overleaf is submitted for approval. Legal
ion may see for acceptance.

7.50

Legal 1/Feb

23/1/50

Mem.U.O.No.8891-DI/50-I

23-1-50

LEGAL DEPARTMENT

Been in Legal. (The Court has allowed only the cost, viz Rs 17-2-6-0)

31.1.50.

Fin

Fin (Accts)

May be accepted

(The draft memo has not been appd by AFS Dev)

21/1/50

ASSISTANT SECRETARY 1227 25 JAN 1950 GOVERNMENT

NEFA ASSISTANT SECRETARY Legal U-O No 1/22 8 FEB 1950 GOVERNMENT

DEPUTY SECRETARY 6917 Accts 1-FEB 1950 FINANCE DEPARTMENT

Fin (Accts) 6917 Accts/50

2-2-50

Dev

2/50

9298

DEV (II)

So A.S

Legal and Fin have accepted the draf
Memo on P.1 above which may now issue
draft Memo on P.1 above may kindly be app

6/2/50

6.2.50.

6/2

the shareholders. The implications of the rules in regard to the matter were fully gone into by the Legal dept. The intention from the beginning was to avoid the doubtful procedure of taking over a going concern. Subrules (1) and (2) of rule 75A of the D.O.I rules specifically provide for the requisitioning and acquiring of specific movable and immovable properties subject to compensation being paid to the owner as provided therein. It was not intended tha the legal existence of the Company should be affected or that it should cease working in the industry. It was open to it to have continued the activities with the compensation paid to it. As the legal aspect of the question had already been gone into in full, it is for consideration whether the request for cancellation of the order should be complied with now. It is open to the Company to get a decision on it, from a court of law. The legal adviser to the company has himself felt that courts may and do differ in their conclusions in regard to the scope of rules 81 and 75 A of the D.O. I. rules. Legal dept. may be requested to advice on the course to be adopted now.

Point (ii) on page 10 above:- It is stated that the arbitrator has fixed 11th April 1944 for the hearing of the case. The Company could itself ask for an adjournment- vide notes at page 6-7a above, on a similar request of the Company previously. In any case there is time to decide the matter, after Legal has considered the legal opinion obtained by the Company on the validity of the order. It is submitted this may wait till point (i) above is decided.

Remarks of Legal may be awaited.

Legal

ASSISTANT SECRETARY 2008C 18 MAR 1944 LEGAL DEPARTMENT

Legal Department.

In this case the going concern as such was not requisitioned or acquired. On the other hand only specific movable and immovable properties belonging to the company were acquired. The proceedings taken under rule 75A of the Defenc of India Rules did not put an end to the company, but only

[redacted]ertain properties belonging to the company were requisitioned [redacted]nd acquired in accordance with the procedure prescribed by [redacted]rule 75A of the Defence of India Rules. In doing so regard [redacted]was had not only to the fact that rule 75A authorised the [redacted]acquisition only of specific properties, movable and immovable, but also to the Lahore decision which held that a going concern as such could not be acquired under the rule.

Mr. Venkatarama Sastri's opinion at pages 33-37 c.f. raises the following points:

(1) He says that the Defence of India Act does not authorise the making of rules for the acquisition of any property and that therefore a rule made under that Act cannot authorise such acquisition. He goes on to say that rule 75A in so far as it authorises acquisition goes beyond the intendment of the Act and is therefore ultra vires. I am afraid he is not correct on this point. Section 2 (2) (xxiv) of the Defence of India Act specifically authorises the making of rules for "the requisitioning of any property, movable or immovable, including the taking possession thereof and the issue of any orders in respect thereof". The requisitioning referred to may be of a temporary or permanent character. A permanent requisition is an acquisition. Rule 75A of the Defence of India Rules is fully covered by the rule-making power contained in section 2 (2) (xxiv) and it is not open to the attack that it is ultra vires. The rule in terms authorises the acquisition of any property movable or immovable. The mere fact that certain movable and immovable properties were owned by a company and were used by the company in connection with an industrial undertaking, will not prevent the acquisition of those properties in accordance with the procedure laid in rule 75A. It is quite wrong to say that specific properties belonging to a company carrying on an industrial undertaking cannot be acquired under the rule.

(2) Another point raised by Mr. Venkatarama Sastri is that the acquisition in this case was of an industrial undertaking. This is not correct. Only specified movable and immovable

properties were acquired under the Defence of India Rules. There was no attempt to acquire the undertaking as such.

(3) The third point raised by Mr. Venkatarama Sastri is that rule 81 gives to the Government power to assume every form of control necessary for the primary purposes of the Act and the existence of that power impliedly negatives the right of the Government to acquire the business and thereby destroy the company. This argument is based on a complete misapprehension. As already pointed out the business of the company was not acquired in this case, but only certain specific properties belonging to the company were acquired. Secondly there is no connection between rule 75A and rule 81 which deal with entirely different matters. Rule 81 can be used by the Government if they desire to assume control of any industry or undertaking while rule 75A empowers the Government to acquire, either permanently or temporarily, specific items of property which they may require for any of the purposes stated in that rule. The fact that the Government, if they so desired, could have assumed control over the industrial undertaking of the Kollegal Silk Filatures Limited, does not in any way prevent them from acquiring any specified items of property owned by that company if the ownership of those items of property is required by the Government for any of the purposes specified in rule 75A.

I do not think there is any substance in the contentions put forward by the Company supported by the legal opinion which it has obtained. It is of course open to the Company to take the matter to a Court of Law if it is so advised; but that circumstance does not oblige the Government to stop the proceedings before the arbitrator.

Legal Dept. does not agree with the opinion of Mr. Sastri. It is

C3763 SD/43

[redacted]

[redacted] Consideration whether the matter will be referred to the Advocate General for his opinion or whether we may proceed on the basis of the opinion given by Legal. for orders.

S
18/2/44

In questioning the legality of Rule 75-A, in so far as it authorises requisitioning, the Petitioners contend, inter alia, that the Rule is ultra vires of the Defence of India Act. Rule 75-A is made under the powers conferred by the Act and the validity of any rule made in exercise of any power conferred by the Act can be called in question by any Court under S16(1) of the Defence of India Act. The position is perfectly clear in view of the Legal Adviser's lucid exposition of the case and I do not think it is necessary to refer the matter to the Advocate General.

There is no provision for claiming compensation for any improvements that may be considered necessary in respect of an industrial undertaking requisitioned under the Defence of India Rules. The Govt could have by executive order to make a payment of such improvements to the Company which they would have had to do if they had requisitioned the factories.

The Company may be informed as at 'A' on p.13 above.

D. 19/2/44

Agreed A4

SMR
15/44

D. 19/2/44

15

To Addl. A.S.

With reference to orders at 'M' above, a draft letter to the Chairman of the Bharat Kirloskar Ltd, is

Submitted for appeal

Re 20.3.44 20.3.44

139 cf [Issued as Letter no. 3763 S 3/43-13 d 20.3.44]

141 f [From the Dt Judge, Coimbatore, no. 1968 d 18.3.44]

From the Chairman, Kollegal Sitn Bdry, letter d. 31.3.44

To Addl A.S.

Please see the letter from the Chairman of the Kollegal Sitn Bdry, at 143 cf.

A on p 143 cf: Please see the G.O. at pp 47-48 cf (C) regarding the appointment of the Arbitrator. There is nothing to indicate that the Arbitrator is bound by the classification of the properties by the Govt as movable and immovable. As the contention of the Company is that the compensation offered by the Govt is inadequate on the ground, among other things, that some items which were treated as movable properties should have been treated as immovable, it is open to the Company to raise the issue before the Arbitrator specifically. If, however the Arbitrator decides this issue as beyond his jurisdiction, & the rules provide for an appeal to the 'High Court' against his award as in this case the amount exceeds Rs 5000/- It does not seem necessary or possible for the Govt or any of the parties to the Arbitration - to issue direction to the Arbitrator in framing points at issue for arbitration

(C) 147-148 cf

cf 31-32 cf (C)

cf. D on p 45 cf

Legal rules at- I on p 24 cf (C)

M on p 3 (P)

A on p 43 cf

Legal may see for remarks. [illegible]

B on p 43 cf: No action is called for, in view of the reply already sent to the Company on similar representations made to the Govt. p 39 cf.

DR 1.4.44 [illegible] 3/4/44 S Legal [illegible] 8/4/44 [illegible]

Legal Department.

Dev. u.o. 3763 S/43-14

As I have already pointed out at pages 23 and 28 n.f. of Flag (C), machinery and plant attached to earth or permanently fastened to anything attached to earth are immovable property. Whether any particular plant or machinery is of this description is a question of fact. It is open to the arbitrator to decide whether any particular item in dispute is or is not immovable property as defined in the General Clauses Act. If the arbitrator is under any misapprehension that the Government have already decided the question it is as well that the misapprehension is removed. The pleader representing the Government before the arbitrator may be asked to agree to the arbitrator deciding whether any disputed item is or is not immovable property.

3.4.44

ASSISTANT SECRETARY 2420C 4-APR 1944 LEGAL DEPARTMENT

Legal u.o. 2420C-1 4/4/44

[illegible] Dev Dept

To Addl A-S [illegible] Please see the letter at p 43 cf. from the Chairman, Kollegal Silk Filatures Ltd. and the notes of the Legal Dept above.

Subject to orders, a draft memo to the DIBE and a draft letter to the Chairman of the Company are submitted for Consideration.

DR 4.4.44 [illegible] S

D/44

ASSISTANT SECRETARY TO GOVERNMENT 4-APR 1944 DEVELOPMENT DEPARTMENT

ADDITIONAL ASSISTANT SECRETARY TO GOVERNMENT 4-APR 1944 DEVELOPMENT DEPARTMENT

The matter before us. S. 5/4/44

Ag [illegible]

'Fr' - the Law Courts may kindly be informed on the 11th inst. S. 5/4/44

[illegible] 5/4/44

[Issued as Memo no 37635 D/43-15 d 5.4.44] pp 5-6 cf

[Issued as Letter no 37635 D/43-16 d 5.4.44] . . pp 47-48 cf

[From the Registrar, High Court, R.O.C. 2416/44.B, d 17.4.44] p 49 cf

To: Addl. A.S.

Please see the letter from the Dt Judge, Coimbatore at p 49 cf and the endorsement of the Registrar, High Court thereon. The proposal involves extra t.a on account of the Govt Pleader & Arbitrator. Subject to orders a draft memo is submitted for approval. It may be sent to Fin. for acceptance.

ADDITIONAL JUDICIAL SECRETARY TO GOVERNMENT
20 APR 1944
DEVELOPMENT DEPARTMENT

19.4.44

(after discussion)

Dev 6 37635 D/43-17 — Accepted — WS 19-4-44 — D/4

19.4.44

Cmd

cf p 51 cf [From the Managing Director, K.S.F. Ltd, Letter d 18-4-44]

Dev. Dept

Fin 17580 ESR — To: Addl. A.S.

19.4.44

1. The draft memo below may now issue.

2. As regards the letter from the Govt Legal Adviser, dt. as at p. 51 cf., the procedure regarding the acquisition of marble does not admit of the Company and Manager being required to tender evidence — Vide Rule 75A (4) of the D.O.T. Rules & Rule 19 of the D.O.T. Act. It is not clear how the old rule 83 of the D.O.T. Rules is applicable to the present case. According to the existing rules, the request of the Company is not tenable. Legal may be asked to advise in the matter.

Vide Legal notes at p 13 ng (c)

p 127 cf Dev. Dept

pp 21-22 cf

ng 6 Vide M. on p 51 cf

X on p 51 cf

(X)

Legal

21.4.44

Dev 6 37635 D/43-18 — Legal Advr

21-4-44

Govt may please see Legal notes at (c) on p 12-13 cf. I have fully advised on all the points involved on previous occasions. no new

ASSISTANT SECRETARY
2827 C
21 APR 1944
LEGAL DEPARTMENT

Compensation for
Land acquired / Immovable property ~~acquired~~ under
fixed under rule 75A (1) of Rules for
the Land Acquisition Act, 1894 or any other
law for the time being in force
for the purpose of ~~immovable~~
~~properties~~ Immovable properties
the compensation shall be fixed (on failure of
agreement) by the Arbitrator appointed
u/s 19(1) of the ~~Land Acquisition Act~~ Act

pp 21-22 of Act

Where land is acquired for certain
movable or immovable properties belonging to
two persons the Court may determine
separately the sum which is to be awarded
as compensation, where, after such
determination, any dispute arises as to the
apportionment of the same or any part thereof
or as to the persons to whom the
~~same~~ (rule 75A) compensation or any part thereof is payable,
the Court may refer such dispute to
the decision of the Civil Court having
jurisdiction over the area in which the land
is situated.

Compensation to be allowed for
the acquisition of any Immovable property
and any interest in immovable property
acquired under this Act shall be determined
as on the date of the publication of the
notification relating thereto under section 4,
sub-section (1), and for the purpose of
determining the amount of compensation to be
awarded for land acquired under this Act,
the Court shall take into consideration
but shall be restricted to the matters
hereinafter expressed, that is to say,

Compensation for
First, the market value of the land
at the date aforesaid;

Secondly, the damage sustained by the person
interested, by reason of the taking of any
standing crops or trees which may be on the land
at the time of the Collector's taking possession
thereof;

Thirdly, the damage (if any) sustained by the
person interested, at the time of the Collector's
taking possession of the land, by reason of
severing such land from his other property
or of the diminution of the advantages or
suitability of such other property or otherwise
injuriously affecting his other property,
movable or immovable, in any manner or his
earnings;

Fourthly, if in consequence of the acquisition
of the land by the Collector the person
interested is compelled to change his residence
or place of business, the reasonable expenses
(if any) incidental to such change;

Fifthly, the damage (if any) bona fide resulting
from diminution of the profits of any business,
trade, profession or vocation which such person
is carrying on in such land at the time of the
publication of the notification relating thereto
under section 4, sub-section (1), and
such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Sixthly, the damage (if any) bona fide resulting
from any diminution of the profits of any
business, trade, profession or vocation carried
on by such person in other immovable property
in addition to the land acquired in consequence
of the severance of such land from such other
property, or the acquisition of such land
and such other property under this Act;

Seventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Eighthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Ninthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Tenthly, the damage (if any) bona fide resulting
from any diminution of the profits of any
business, trade, profession or vocation carried
on by such person in other immovable property
in addition to the land acquired in consequence
of the severance of such land from such other
property, or the acquisition of such land
and such other property under this Act;

Eleventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Twelfthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Thirteenthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Fourteenthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Fifteenthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Sixteenthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Seventeenthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Eighteenthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Nineteenthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Twentiethly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Twenty-firstly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Twenty-secondly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Twenty-thirdly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Twenty-fourthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Twenty-fifthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Twenty-sixthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Twenty-seventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Twenty-eighthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Twenty-ninthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Thirtiethly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Thirty-firstly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Thirty-secondly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Thirty-thirdly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Thirty-fourthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Thirty-fifthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Thirty-sixthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Thirty-seventhly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Thirty-eighthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Thirty-ninthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Fortiethly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Forty-firstly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Forty-secondly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Forty-thirdly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Forty-fourthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Forty-fifthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Forty-sixthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Forty-seventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Forty-eighthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Forty-ninthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Fiftiethly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Fifty-firstly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Fifty-secondly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Fifty-thirdly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Fifty-fourthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Fifty-fifthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Fifty-sixthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Fifty-seventhly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Fifty-eighthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Fifty-ninthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Sixtiethly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Sixty-firstly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Sixty-secondly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Sixty-thirdly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Sixty-fourthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Sixty-fifthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Sixty-sixthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Sixty-seventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Sixty-eighthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Sixty-ninthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Seventiethly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Seventy-firstly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Seventy-secondly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Seventy-thirdly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Seventy-fourthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Seventy-fifthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Seventy-sixthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Seventy-seventhly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Seventy-eighthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Seventy-ninthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Eightiethly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Eighty-firstly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Eighty-secondly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Eighty-thirdly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Eighty-fourthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Eighty-fifthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Eighty-sixthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Eighty-seventhly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Eighty-eighthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Eighty-ninthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Ninetiethly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Ninety-firstly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Ninety-secondly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Ninety-thirdly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Ninety-fourthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Ninety-fifthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

Ninety-sixthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

Ninety-seventhly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

Ninety-eighthly, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

Ninety-ninthly, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundredthly, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and first, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and second, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and third, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and fourth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and fifth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and sixth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and seventh, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and eighth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and ninth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and tenth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and eleventh, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and twelfth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and thirteenth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and fourteenth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and fifteenth, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and sixteenth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and seventeenth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and eighteenth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and nineteenth, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and twentieth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and twenty-first, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and twenty-second, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and twenty-third, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and twenty-fourth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and twenty-fifth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and twenty-sixth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and twenty-seventh, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and twenty-eighth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and twenty-ninth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and thirtieth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and thirty-first, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and thirty-second, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and thirty-third, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and thirty-fourth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and thirty-fifth, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and thirty-sixth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and thirty-seventh, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and thirty-eighth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and thirty-ninth, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and fortieth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and forty-first, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and forty-second, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and forty-third, the reasonable expenses (if any)
incidental to the relinquishment by such person
of the unexpired portion of any lease of such
land or part thereof;

One hundred and forty-fourth, in consequence of the acquisition
of the land by the Collector, the person
interested is compelled to sell his standing
crops or trees at a price less than that
which he might obtain if he were not so
compelled, the difference between the price
obtained and the price which he might
obtain if he were not so compelled;

One hundred and forty-fifth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
which such person is carrying on at the
time of the publication of the notification
relating thereto under section 4, sub-section (1),
and such damage may be estimated to be the
loss for such period as may reasonably be
required for the purpose of reinstating the
business, trade, profession or vocation, having
regard to the circumstances of the case;

One hundred and forty-sixth, the damage (if any) bona fide
resulting from any diminution of the profits
of any business, trade, profession or vocation
carried on by such person in other immovable
property in addition to the land acquired in
consequence of the severance of such land
from such other property, or the acquisition
of such land and such other property under
this Act;

One hundred and forty-seventh, the reasonable exp

does it or is not reasonable for such interpretation
meaning of the General Clause Act. or the Supreme
Court question will be decided by the
Arbitrator

Legal U.O 2827C-1
21/4/44

Rec
21/4/44

Dev

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
21 APR 1944
DEVELOPMENT DEPARTMENT

Dev. Dept

To Addl Sec's.

Please see the letter from the Collector
Sirsa Kilaheera dtd. at p 51 cf. and the notes of the Legal
Secy at Pr 17-19 above. The request of the Company
for valuing the undertaking as a whole and for
asking the Arbitrator to fix compensation for
marbles are not tenable. It is for orders
whether the Company may be informed, without
assigning reasons, that its request in the letter at
p 51 cf. cannot be complied with.

p 51 cf.

Draft memo
letter to the
Arbitrator &c:
attached - p 49 cf.
, may for approval
by Secy.

21.4.44

N.F. may be perused from the
middle of P.17 in connection with the
letter at P.51 C.F. For the reasons
explained by the Legal Secretary at P.18 N.F.
above, the Coy. may be informed that
its proposal cannot be accepted.

S.

Approved by Secy
Issue for issue

Issued as Memo

May be informed accordingly.

21/4/44

22-4-44

Dev Dept

To Addl U.S. Orders on p 1 ante:

A draft Letter to the Company is sent for approval

Issued

[Issued as Letter no. 37635-D/43-20 dated 24.6.44] pp 55-58 cf

[From the Dt. Sessions Judge, Coimbatore, D. No. 3176 dt 18.5.44] p 1-6

To U.S.

Please see Dt. Judge's letter at p 57 cf. He may be reminded about the stage of enquiry on 7.6.44, if necessary

Mr. 19.5.44 Dev 19.5.44

Issued

[Issued as L. 37635 D/43-22 dated 7.6.44] p 59 cf

[From the Dt. Sessions Judge, Coimbatore, D. 3481 dt 19.6.44] p 61 cf

To Addl U.S.

Dt. Report from the Arbitrator may be awaited till 30.6.44 if not

Mr. 20.6.44 Dev 20.6.44

Seen for perusal of P. 61 C.F.

Issued

[Issued as L. 37635 D/43-23 dated 30.6.44] p 63 cf

[From the Dt. Sessions Judge, Coimbatore, No. nil dt 3.7.44] p. 65 cf

To Addl U.S.

Please see the Dt. Judge's letter at p 65 cf. He may be reminded for further report about the stage of the enquiry on 21.7.44 if necessary.

Mr. 6.7.44 7.7.44

Issued

[From the Dt. & Sessions Judge, Coimbatore, No. 3435 D dt 24/25.7.44] p 5[illegible] cf

To Addl U.S.

Please see the Dt. Judge's letter at p 69 cf. He may be reminded for further report on 1-9.44, if necessary

7.44

Issued

[D.O. No. 37635 D/43-25 dt 5.9.44] p 71 cf

p ?f [From the Dt. & Sessions Judge, Coimbatore, no. 5532 D. d 8.9.44]

To Addl. A.S.

(Dt. Judge Coimbatore)

Please see the Arbitrator's reply at ~~p~~ p73f. His further report may be awaited till 1.10.44

Kr 9/9/44 DAS 10.9.44

p75f [Issued as Letter no. 37635 D/43-26 d 2.10.44]

p77f [From the Dt. & Sessions Judge, Coimbatore, no. 6293 d 4.10.44]

To Addl. A.S.

Please see the letter at p 77f from the Dt. & Sessions Judge, Coimbatore. He may be reminded ~~again~~ regd on 5.11.44 if necy

Kr 6.10.44 DAS 6.10.44

p79f [Issued as ~~Letter~~ Memo no 37635 D/43-7 d 6.11

p81f [From the Dt. & Sessions Judge Coimbatore

To Addl. A.S.

Please see the letter at p 81 cf from the Dt. & Sessions Judge, Coimbatore: He may be reminded on 25.11.44 re: ~~to send his~~ report on the enquiry ~~if necessary on 25.11.44~~

Kr 12.11.44 DAS 13.11.44

To Addl. A.S.

A draft letter to the Dt. & Sessions Judge reminding him regarding the report on the enquiry is submitted on p 82 cf for approval

Kr 25.11.44 DAS 25.11.44

p82f [Issued as Letter 37635 D/44-28 d 27.11.44]

p83f [From the Dt. & Sessions Judge Coimbatore, no nil d 6.12.44]

To 2-S e3765:5 D/42 Dev. Dept

To Addl. 2-S.

Please see the letter from the Dt. & Sessions Judge, Coimbatore at p 83 of. He may be reminded [on 2-1-45, if necessary] ~~to forward~~ a ~~copy of the award~~

9.12.44

[From the Dt. Judge, Coimbatore, D.O. no. not d 22.12.44] pp 85-87 of

[Issued as Endt. no. 37635 D/43-29 dd 2.1.45] p 87 of

To 2-S.

The report of the Govt. Pleader, Coimbatore at pp 89-90 of on the completion of the Arbitration proceedings in this file and the letter of the arbitrator at p 91 of are submitted for perusal.

The arbitrator's award and the decretal order may be awaited from Addl Dist Judge till 21.10.45

5/10/45

To 2-S.

Submitted that no communication has so far been received from India in the subject

A3's query above: In the concerned file, a draft reminder to India has been already submitted ~~to 2-S for approval~~ for approval.

11/10/45

To 2-S.

on 17-10-45

A communication has since been received from India enquiring whether the Govt. of Madras would agree to arbitration by a High Court Judge, if H.M.G. ~~would~~ quote a price higher than five lakhs. The file has been sent on 19.10.45 & noted to the Dept. on 20.10.45 & has been returned on 20.10.45 in a special pad, and will be circulated to A3 after it returns from [illegible]

Dev. Dept 23

Jo u S

Please see the extract ~~at p 93 cf~~ from the D. I & C's letter dated 16.10.45 [~~sent up as p 93 cf~~ and the Arbitrator's letter at p 91 cf.] ~~A copy of the award has not been communicated to the Govt. by the Govt. Pleader, as promised by the D. I & C. He may be asked to submit a copy to the Govt. Subject to orders, a draft T.M. is submitted below for approval.~~

21/10/45

The Arbitrator has indicated that he was forwarding the award to the Govt. through the D.I.C. The D.I.C. may be asked to submit the copy of the award and the decretal order also, if he has since received it. A draft memo to the D.I.C. is submitted for approval.

"D.C. p 91 cf" ✓ R - p 91 cf & X on p 91 cf

D.A on p 91 cf

S(ai) 21.10.45

× Issued at p 15 cf

21.10.45

p 15 cf [Issued as Memo 3763 S&I/43-30 d 22.10.45]

pp 97-101 cf [From the Arbitrator, no. 6687 d 26.10.45]

Jo u.S.

Please see the letter of the Arbitrator at p 97 cf and a copy of the decretal order at pp 99-101 cf. The Arbitrator has held that the compensation offered by the Govt. is fair and adequate and has decreed that an amount of Rs 175236 be paid by the Company to the Govt. being the costs in the proceedings. The original decretal order ~~at pp 9~~ will be forwarded by the D.I.C. with his remarks. The D.I.C. was asked to send the award and the decretal order. It may be awaited till 10.11.45

✓ A on p 99 cf

✓ B on p 99 cf

× vide 'M' on p 97 cf

✓ in Memo at p 95 cf

S Ayyar. 31/10/45

31/10/45

31.10.45

A3

1/11/45

A3

From the S.D.C, no D5.2168/42 d 30.10.45 ~~p/103cf~~

To L.S.

Please see the S.D.C's. letter at ~~p/103cf~~ and the arbitrator's award at pp 105-127cf. ~~The further report promised at "L" p/103cf may be awaited till 24-11-45.~~ A copy of the decretal order is also at pp 99-101cf The case may meanwhile be sent to Legal & Finance for perusal of the award & decree at pp 105-127cf & at pp 99-101cf and for remarks, if any.

6/11/45 7.11.45

7/11/45

Legal

L.S.

Dy C.O. 37635D/43-31 8-11-45 C°+C

Legal Department

Seen in Legal.

10/11/45 10-11-45

ASSISTANT SECRETARY I 9 - NOV 1945 LEGAL DEPARTMENT.

Finance (Accounts B).

AUDIT OFFICER (B) 12 NOV 1945 FINANCE DEPARTMENT

The case relates to the payment of compensation to the Kollegal Silk Filatures Ltd. in respect of the ~~Kollegal~~ Silk Filatures acquired under the Defence of India Rules in March 1943.

2. The Government offered a compensation of Rs.79,961-7-0 for the immovable and movable properties as shown below:

Immovables	(1) Land & Well	Rs.	7,265-10-0
	(2) Buildings		29,566- 7-0
Movables	(3) Plant & Machinery		43,129- 6-0
			79,961- 7-0

The Company, ~~besides questioning the validity itself of the acquisition of the Filatures~~, contended that the compensation offered by the Government was quite inadequate and agreed to receive in the meanwhile the amount of Rs.79,961-7-0 offered by the Government only under protest.

No agreement could be reached between the Government and the Company in regard to the amount of compensation payable for the buildings and the plant and the machinery. The Government accordingly appointed an arbitrator in G.O.No.2436 Dev. dated 30.9.43 to determine the proper amount to be paid to the Company as compensation.

3. The arbitrator's decretal order on pages 99-101 C.F. and the award on pages 105-127 C.F. may be perused

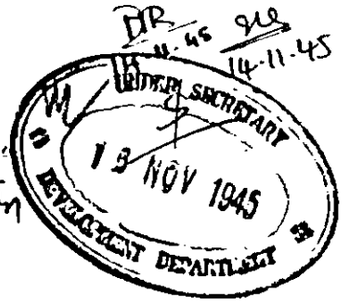
Item (1) Land and Well:- The Company accepted the compensation offered by the Government for land and well, namely Rs.7,265/10/0.

Item (2) Buildings:- The arbitrator has decided that the compensation offered by the Government in respect of the buildings, namely Rs.29,566/7/0 and the stifling chamber, namely Rs.300 are fair and adequate.

Item (3) Plant & Machinery:- According to the arbitrator's award, all items of machinery except the stifling chamber should be treated as movables only, and the amount of compensation offered by the Government for the acquisition of the movables is final and it is not within the jurisdiction of the arbitrator under the Defence of India Rules to deal with that matter. In order to avoid delay in giving a final disposal to this dispute in case the machinery is held to be immovable property on the appeal filed by the Company, he has also recorded his finding on the value of the machinery on the assumption that it is immovable property and decided that the amount fixed by the Government is generally fair and adequate ~~and reasonable~~ except in regard to items mentioned in paras 34 to 36 on p.125 C.F.

No further payment to the Company is involved at present The Company has however to pay the cost, namely, Rs.1,752-6-0, to the Government according to the award. ~~It is presumed that the amount will be recovered in due course.~~

14.11.45 Dev. Dept.



26

Dev. Dept

To U.S. ✓ ~~The award of the arbitrator to may now be needed~~ *H.Q. ✓ H125-127

There is no further action in this file. These papers ~~may be amalgamated~~ with the S.O.S. ~~and~~ ~~may now be recorded.~~ to recover the costs awarded by the arbitrator from the Co. Birmingham

Company: Subject to orders, a draft order is submitted below for approval

24/11/45 JOC 24.11.45

A3

A3

25/11/45

Box

28/11/45 J.S.

Issued as G.O. no. 4658 MS Award

Close

Dev Dept

War. DOG Rules. Acquisition of properties of the K.S.F Ltd - Payment of compensation Arbitration Proceedings. Recovery of cost.

Report

From the DG to Govt. Dev 2160 I/42 dt 7-1946

GO No 7514 DI/46

In 1943, the Govt acquired under the DOG Rules certain immovable and immovable properties of K.S.F Kothagal & Co for the immovable properties and Rs 36,832-1-0 for the immovable pucca properties was offered to the Company. The Company rejected the compensation under protest. As no agreement was reached between the Govt and the Company in regard to the amount of Compensation payable for the immovable properties the Govt appointed Sri Rao Sahib C. Satyanarayana Chowdry B.A.B.L. the then Dt Judge, Coimbatore as Arbitrator to fix the amount of Compensation to be paid to the Company. The arbitrators award was in favour of Govt. In GO No 4658 Dev dt 23.11.45 the DG was requested to take steps to recover the sum of Rs 1752-6-0 from the K.S.F Kothagal & Co together with interest accruing thereon in pursuance of the award and decretal Order of the Arbitrator and to report to Govt the result to the Govt.

~~The Company appealed against the award in the Dt Court, Coimbatore But in the appeal also the award was confirmed in the appeal also~~

PTO

The Company had filed a suit against the Govt alleging that the order of acquisition was ultra vires. This suit was also decided against the Company and ~~The Govt was confirmed and the~~ it was directed to pay ~~the~~ a sum of Rs 225-10-0 towards costs. The DO letter in this letter in the ~~of reports that the above amount~~ of ~~Rs 2212-8-0 & 225-8-10-0 as~~ both the sum of Rs 1752-6-0 & Rs 225-8-10-0 have been receiving the above amount from and other charges for the execution of the deeds was realised from the Company. It will be seen from para 3 of the Govt Pleaders letter on p 2 C/E that the sum of Rs 1752-6-0 was also realised without any legal proceedings. Both the amounts have been credited to Govt A/c.

No action appears necessary on the DO letter. The papers may be lodged and added to GO No 4658 dated 23-11-45 on its return from ~~the~~ DO

SO 12.10.46 DSO 13.10.46

ABM 14.10.46

S.

M in GVO

Return of the proceedings in the Land Acquisition Matter

A

Can this file be cancelled & the Company credited the amounts. Pay order to be sent?

F.S. 15/10

ABM 15/10

Resubmitted

The file referred to in the orders at A above (GVO 2985) is linked below. It was not put up with this file as it deals with another aspect involved in the payment by the Company of the cost recoverable by the Govt. In view of the fact that the Company has paid the cost in full, it will reply to the notice issued to it in the l.f. below and further action in the l.f. will have to await an official reply from the Co. to the notice.

Company Law file
State Govt's decision to liquidate the Co by default in payment of cost
pp 13-16 of l.f. below

1. 11

A

As the company has paid the money, to await an official reply from them is only a formality.

A.M.
17.10.46 S.

To vis.

Separate actn is being taken in D II on an aspect of the file to which the remarks on A above apply.

No further actn is called for in this Case. For orders as to whether this file may be closed now as indicated at M on p 2 above.

A.M.
26.10.46

May be lodged as indicated at M on p 2 ante.

Thos D II Sn
26/10/46.

A.M.
28-10-46